

MILCHWELT

JULY 2020

The Official Magazin of the DMK Group



UNITED
through the crisis

How we as
a dairy are
sticking
together

DM auch von zu Hause aus

BERGAMO

Wir arbeiten

für euch :-)

**POLL
ABOUT THE
CORONAVIRUS**

What has changed for you?

The pandemic has affected many aspects of our lives but not only in negative ways. We might keep some of these changes in the future, after the crisis. Tell us what you think – what applies to you?

1. I cook more often and have been trying out new recipes.
2. I am discovering some interesting new places in the country where I live.
3. I have come to really appreciate everything I have.

Join in and share
your thoughts
www.dmk.de/poll



It's Good That We Are "Us"

Oliver Bartelt
Head of Communication DMK Group



Dear Readers,

We have experienced some demanding weeks recently and the crisis is far from over. But now, at the end of June, we are seeing signs of hope. Now that Germany's economy is opening up again, restrictions are being lifted and infection rates are falling, we can take a breath, look back and reflect on that turbulent time.

The last Milchwelt issue was all about the people at DMK, our employees and farmers - and we are dedicating this issue to them too. Without their commitment, DMK would not be doing half as well as it is today. We asked them how they are dealing with the crisis and what they think and feel right now (p. 12). And we also reached out to managers who are having to hold their teams together from a distance, and who adapted to remote working and videoconferencing right away. Chief Human Resources Officer Ines Krummacker describes how managers can provide stability in these difficult times and promote a sense of togetherness (p. 26). This is particularly important with international teams. Now DVN is part of wheyco, employees in Germany and the Netherlands are benefiting from their new colleagues and their knowledge and experience (p. 40).

We also talked to farmer Detlef Stark about how he responded early and adjusted work due to the coronavirus. This is just one more of many challenges facing the agricultural sector (p. 18).

This is a time of crisis, but we can also see it as an opportunity. It is more important than ever that we are growing closer together, becoming "us." It's a huge competitive advantage - particularly in these stormy times.

Enjoy reading - and stay well!

Best regards,

Oliver Bartelt



TOGETHER through the crisis

12

Our employees
How they are overcoming everyday challenges to keep the company afloat amid the pandemic.



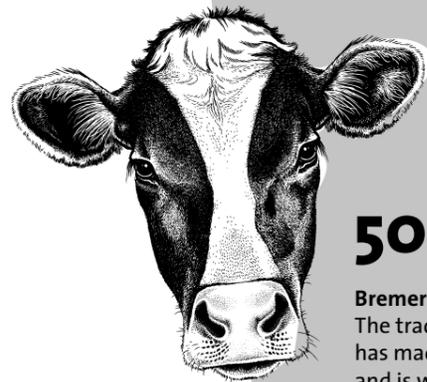
46

Ever popular
MILRAM is providing even more variety.



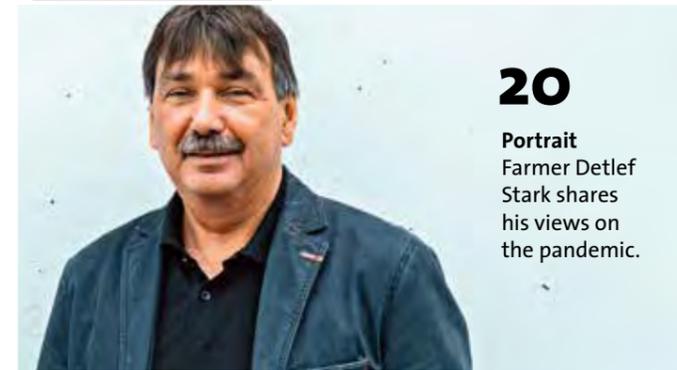
42

Continuous Improvement
DMK's powerful strategy.



50

Bremerland
The traditional brand has made a comeback and is winning fans.



20

Portrait
Farmer Detlef Stark shares his views on the pandemic.



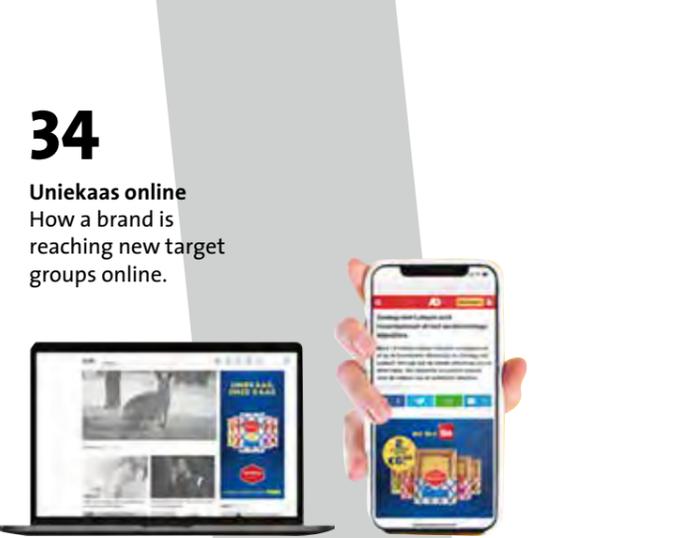
28

A source of strength
Chief Human Resources Officer Ines Krummacker on what makes a good manager.



48

Founded on trust
Humana, Alete and Milasan – ssa powerful trio.



34

Uniekaas online
How a brand is reaching new target groups online.

COVER TOGETHER THROUGH THE CRISIS

How our employees are doing, what people at DMK are excited about and how experts see the situation **12 – 31**

NEWS

Uniekaas – the brand expands	34 – 35
How global thinking is powering our company	36 – 37
Wheyco and DVN become one	40 – 41
Continuous Improvement – a commitment	42 – 43
About Our Brand	46 – 49
From The Regions	52

COMPANY

The coronavirus and its effects:
How employees are handling the pandemic 12 – 19

Verbraucher und ihr Verhalten:
Über den Konsum in Consumption amid the coronavirus 24 – 25

The big picture:
Ingo Müller and Frank Claassen 26 – 27

What makes a good manager?
Interview with Ines Krummacker 28 – 29

The Coronavirus Task Force:
Our measures to deal with the pandemic 30 – 31

Column

Marco Bode on team spirit	33
Combining family and career at DMK	38 – 39

One Finance:

Making our figures transparent	30
The Bremerland brand is winning fans	50 – 51

FARMING AND AGRICULTURE

A Farmer's Views	20 – 23
DMK's Biodiversity Project	54 – 55

IN EVERY ISSUE

Contacts to the Editorial Department	56
DMK in the Media	56 – 57
Masthead	57
Contact to Regional Leaders	57
DMK Sweepstakes	58
Recipe	59

PHOTO
CONTEST!

100,000

100,000 flowers. Martin Kastenbein from the Edeweicht creamery took this picture of Johanna, his five-year-old daughter. She ran off into the rapeseed field to play and stood still for a moment among all the blossoms. Gazing across the endless sea of yellow flowers, she forgot for a moment that they were on their way to a paddock

214

People work at the Strückhausen plant, including (left to right) Gaby Veith, Gaylord de Freese and Jan-Christoph Müller from the weighing department. They are among many of our employees following even tougher safety standards than usual these days, in order to protect themselves and their colleagues

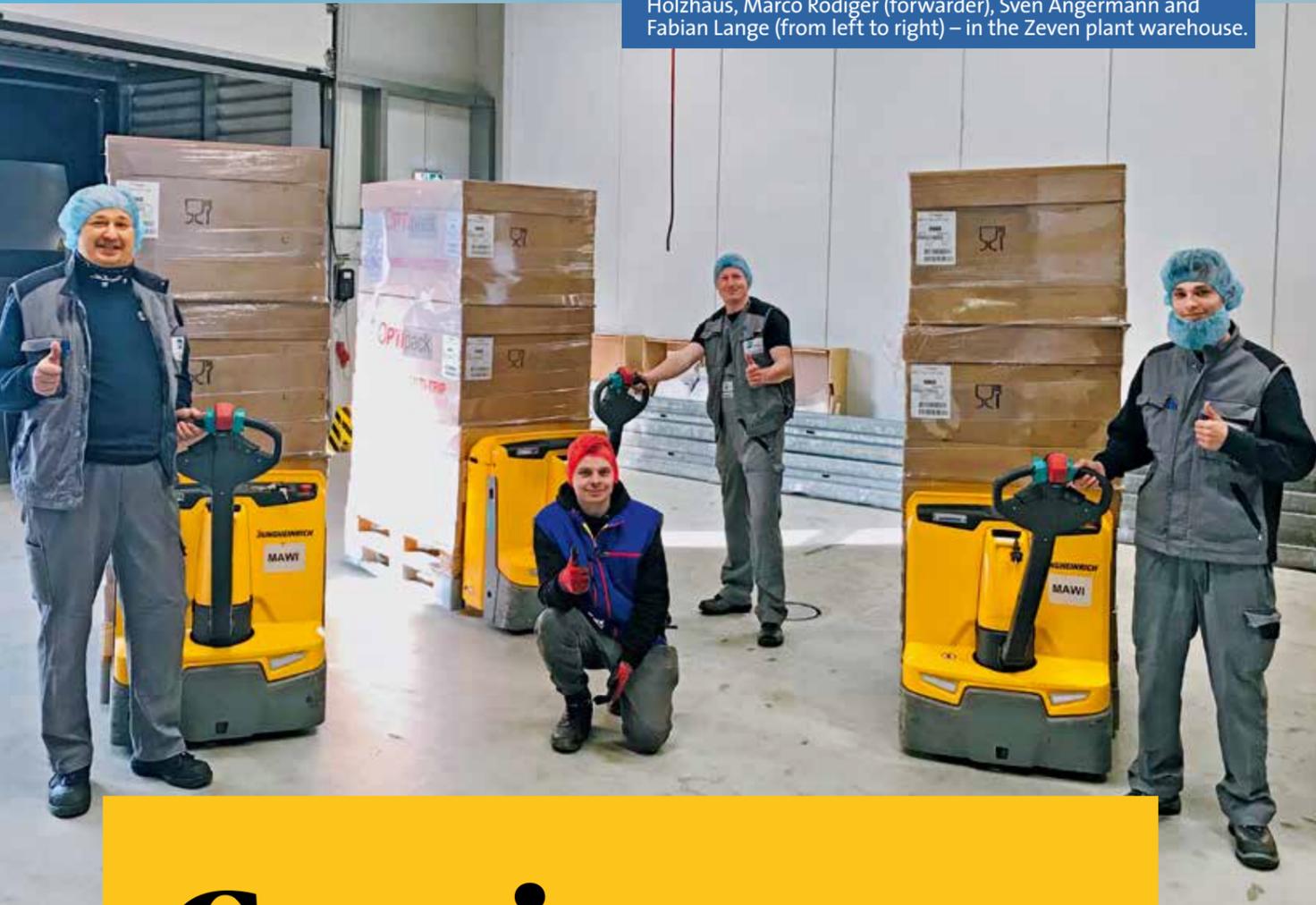


1

Cutting grass for the first time in 2020, as farmers struggle with drought, night frost and plagues of mice. Yields are down, as growth was limited by the lack of rain. All we can hope for is better weather in the coming months



Keeping a distance but staying optimistic: Alexander Holzhaus, Marco Rödiger (forwarder), Sven Angermann and Fabian Lange (from left to right) – in the Zeven plant warehouse.



Coming through the crisis together

The pandemic has changed everything. How is it affecting a company like DMK – and how are we handling the crisis? Employees and farmers share their experiences, describing what has changed for them. We also report on the Coronavirus Task Force and the measures it's taking, how consumer behavior is changing – and the strategies that are keeping DMK on track

“We are now steering the company under totally different conditions. It's still a major challenge to support people at work, to keep asking questions, motivate everyone and go the extra mile. Right now, no one knows what's going to happen next and how the world might look in a couple of weeks. But as a company, we're totally confident that we are going to come through this difficult time in good shape. We have a couple of major advantages – not only all the restructuring of the last few years, but also that each and every one of us works with a genuine sense of connectedness and team spirit. Even if this is a real stress test and we're relying far more on phones, email and video conferencing right now, our employees are mastering these challenges in their professional and personal lives. This crisis is far from over, but it's really showing how DMK and “WE” are pulling together. It's the hour of the cooperative ideal, namely that “what one man cannot manage alone can be achieved by the many.” We seem to have internalized that, and I'm very proud of that.”

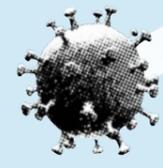
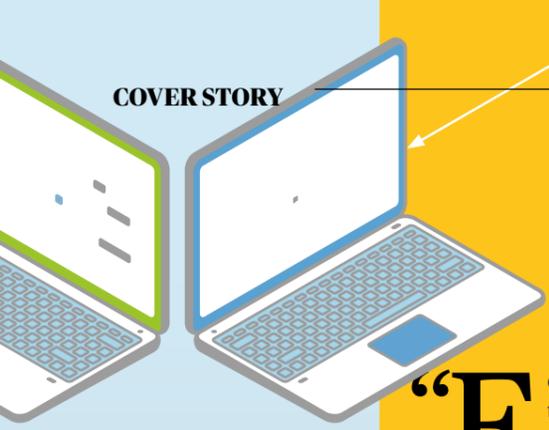


Ingo Müller, CEO, DMK Group, Bremen.



Heinz Korte, Chairman of the DMK Group, Bremervörde.

“From our farmers in the fields to employees in the dairies and administrative workers, all are affected by the coronavirus, professionally and on a personal level too. So far, we have been spared any major outbreaks of illness at DMK, thanks to a great deal of effort. As a food producer, we know all about hygiene and we are adding on extra measures as well. And as we process the top-quality milk that our farmers produce, we are happy to have them by our side. Our farmers are experts at what they do and we owe them a special thanks. After all, without all their careful work, supermarket shelves would be empty. Germany's Agriculture Minister Klöckner says time and again that “the food sector is of systemic importance.” We see this both as a challenge and as an opportunity.”



“I feel hopeful when I think about the future”

Luisa Wagner

“**F**eed suppliers, milk collectors, service technicians, vets and hoof trimmers, they all come to our farm and work as hard as they did before the coronavirus, they just keep a distance for safety’s sake. But things have changed since the pandemic broke out. Right now I’m finishing training as an agricultural business manager and the teaching is mainly online. After my exams I’m going to join my parents’ farm. It’s a small operation, we have 150 cows, but I enjoy farming and I feel hopeful when I think about the future. This crisis has helped improve how people think about agriculture, after all, with import and export restrictions, people appreciate and value regional food and domestic production more. I think in the long term, it’s important not to blame consumers for everything and to try and give them a sense of the positive side of agriculture. As farmers, we have to talk more about what we do and why, and why that matters. That’s the only way we can hope society will understand us better. I’d like farming to have a better image and reputation, maybe politicians can help with that. And I hope people aren’t afraid to ask questions, and that they’ll talk with us personally about their worries.”



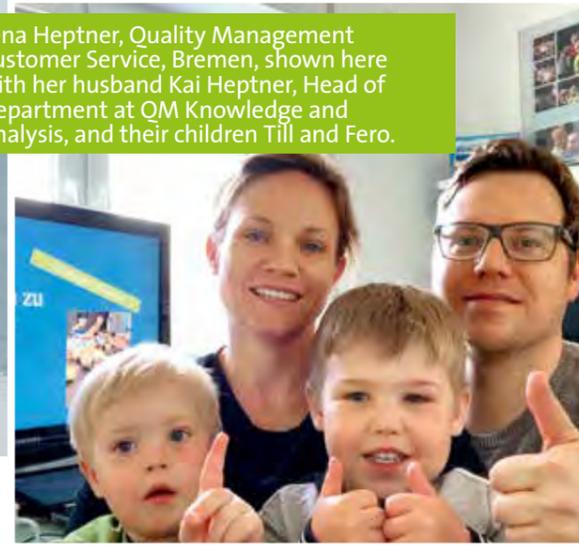
Luisa Wagner, Farmer, Ringgau-Datterode.

“**W**ho would have thought that a virus would turn our lives upside down like this? I was really upset at first. But then I started to think more pragmatically, and looked around my house for an inspiring place to work over the next few weeks. I took a few things from my desk at Humana to try and recreate the working atmosphere from there. Now, I sit down, work out my goals and list my tasks for the day. And I feel good when I tick off all I’ve achieved with a colored pen! Over the past few weeks, I’ve become more aware of lots of things, starting with the fact that emails can’t really convey the depth of meaning or context of communication that you have in meetings in real life. Luckily we also have video conferences where we can ask if we don’t understand something, for example. It’s also really calming and nice to meet colleagues this way at least, even if digital communication can never replace interacting with people face to face. I do feel very lucky to be able to work from home, as there are so many people out there right now risking their health for us. I’d like to say a special thanks to all the wonderful people working in the health sector and to all the other key workers out there.”



Alberta Bruno, National Account Manager, Humana, Italy

Lena Heptner, Quality Management Customer Service, Bremen, shown here with her husband Kai Heptner, Head of Department at QM Knowledge and Analysis, and their children Till and Fero.



take the kids to day care in the mornings, drive to work in Bremen and then be back for supper. I usually work three days a week at DMK, and do another day from home. Now that day care is closed, I share child-care duties with my husband. I get up at dawn and work from 5 until 10, then my husband gets down to work. That works fine for me, I can take care of everything in that time, while Kai has to be available through the day. As head of the QM department, it’s harder to coordinate all the employees, allocate tasks and pass on information. Even though people worked working remotely before, we still miss the more spontaneous office chats to share information and get a sense of what’s going on. That’s a lot harder online. But there are advantages, too - having a lot more time with my sons means I’m much more involved in their development. The little one is learning a lot from the older one right now, like how to cut with a pair of scissors or how to hold cutlery properly... Making lunch is pretty tough though! I know the kids have a more balanced diet at day care than we’re managing at home right now.”

“**O**ur children have gotten used to the fact that their parents are here, even if they aren’t available all the time. They do like coming into the office to see what we’re up to. And that’s fine with us, especially when they come with chocolate. We’re trying hard to keep to our normal daily rhythms in these strange times, we don’t want every day to feel like the weekend. Our daily routines have changed a lot though. Before the coronavirus, my husband used to

“**I** work with 140 colleagues producing milk, butter and cottage cheese. I take milk powder samples and examine them using an infrared machine. I check their pH values and analyze their purity, among other things. It’s a strange time, with the coronavirus, but the measures we take are necessary and we follow social distancing guidelines. We’re all a bit sad that we can’t have a summer party this year, but we’ll make up for it another time.”



Kristina Sturm, Laboratory Technician, Hohenwestedt.

After finishing work - I'm a machine operator - I often sit with my sister at home and sew masks for my colleagues. I only wanted to make protective face coverings for my own team at first, but everyone liked them so much and more and more colleagues kept asking me if I could make them one too. It's great, I can help people be safe and have fun at work as well. At a creamery, social distancing is not always so easy. We have to be pragmatic. It's pretty loud there, because of the machines and that makes talking much trickier. Right now, we write out our handovers between shifts so the different teams don't come into contact with each other - we leave notes next to each machine for the incoming shift. That really helps us all a lot! After a production shift, when I leave the plant, I feel like we're doing everything right."

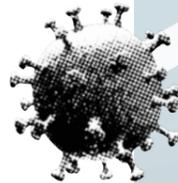


Jessica Gardewin, Machine Operator, Edewecht.



Dennis Schierenbeck, IT Systems Specialist, Seckenhausen.

Over the last few weeks, we've made sure up to 1,200 employees are up and running, working remotely from home using DMK's IT systems. Setting each person up with their own workstation from home was a major challenge for us at corporate IT. Not only did it mean procuring the right hardware but also customizing and configuring the central systems. We're still optimizing the process to make sure everyone can communicate internally and externally from home as smoothly as possible. Right now, I'm setting up the technical prerequisites so we can use Microsoft Teams, a practical collaboration tool. Aside from configuring all the IT systems, that's involving a lot of coordination, too. And all this is working out thanks to my family, too, who helpfully give me plenty of coffee. I do miss the social side of work but I'm enjoying the chance to be supportive professionally and at home, too. I hope these new working structures mean many employees can enjoy a better work-life balance in the future."



Nico Pemsel (l), Dairy Specialist, Erfurt.

Tobias Büchner (r), Control Room, Erfurt.

I'm really glad to have the same daily routine and to be able to keep going to work as usual. My personal life means I have an easier time of it than some people - I'm single and I don't have any kids to take care of. For me, the big difference is dealing with truck drivers - before they enter the premises, they each have to report to the guard and say whether or not they've been in an area that's designated high risk. Inside the plant, we all keep a distance from each other, of course. My biggest wish right now is to be able to visit my parents again soon, in Brandenburg."

My wife and I are sharing taking care of our two children and it's working out pretty well. Once we had to adjust the shift plan but we worked it out together at the department, it wasn't a problem. We've had plenty to do though, what with the coronavirus and Easter, we were producing 40% more UHT milk in March. We all managed it well though. Particularly as a parent, I'm really glad my colleagues and my employer are being so understanding and flexible in this situation."

It's an extraordinary situation we're in. Even after four months, it still feels strange for my colleagues in Recruiting to bring an applicant into a really large room, to greet them at a distance and sit two meters away from them. At DMK, we're much closer than that usually, we're not usually so distanced, so social distancing regulations make work feel a lot less personal. But I notice that each and every one of us, and all the applicants, are very understanding about these requirements. Right now, we're mainly working from home, using work laptops. It takes some getting used to, but there are advantages, too: a lot of meetings are held on the phone or through video conferencing which is working out well! And we're using this time to improve our digital communication and raise DMK's profile on career websites. We're noticing that we can work efficiently from home and that will make us more flexible in the future. We miss everyday work at the office though. Usually we all sit together in one office and we can talk things over or make a joke. We do miss that but we are so grateful to be able to keep working."



Joana Franke, Team Coordinator, HR Service Recruiting, Zeven.

Hand washing is becoming a full-time job! Seriously, we're all social distancing and we follow the hygiene regulations. We do that anyway though - after all, we are working with food. I'm in the goods receiving department, troubleshooting in the high-bay warehouse and inspecting outbound goods. It's all a bit more complicated than usual but we're managing it all very well!"



Malte Huff, Receiving Department, Zeven.

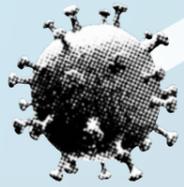


Sascha Meier, Quality Assurance, Zeven.



Andreas Trull, Container Manager, Zeven.

I'm in charge of container shipments and I troubleshoot for the automated facilities. Right now, we're loading some things ourselves, because of the coronavirus. As colleagues, usually, we shake hands but we've stopped doing that for now! It's only when I'm home that I realize all the things we can't do right now. We all have to take precautions, that's for sure!"



“Andrà tutto bene – Everything’s going to be alright.”

Marianna Betta

“**A**ndrà tutto bene - everything’s going to be alright. In Italian, those three words stand for hope and you can see them up and down the country, on colorful banners in people’s windows or as giant newspaper headlines. This sentence is on my screen, too. Right now, though, I’m not in the office but sitting at the kitchen table with my work laptop and my two-year-old daughter is sitting next to me, gazing up at me with her big round blue eyes. I also have a son who’s school age, and we do his homework together. I’ve had to adapt pretty fast to this new situation, like most parents. The coronavirus turned my daily routine completely upside down. I’ve become a real multi-tasker in record time to handle work and family life at the same time. Luckily, I can work well from home. What I miss, though, is interacting with my colleagues. I do hope that after the pandemic, we can find ways to live better. We really need to take social responsibility seriously and work together with other people. Let’s learn from this crisis and appreciate the relationships we have even more.”



Marianna Betta, Senior Manager of Quality Assurance & Regulatory Affairs at Humana, Italy.

“**J**ust before the pandemic broke out, I sold my house and was looking for a new place. But then the coronavirus came along, so I temporarily moved in with my parents on their farm. It’s quite a big place and my sister, my brother-in-law and my two nephews all live here too. Unfortunately, my nephew has a heart defect, so he’s vulnerable, as are my parents. So I set up a completely separate working area to reduce the risk of infection, and that’s working out. It’s easier, of course, to communicate with colleagues directly and I miss our spontaneous exchanges. On the other hand, I was less distracted and could concentrate on work better. I have to get used to how video conferences work - at meetings, we often all talk over each other, whereas now we have to be a lot more structured, so I take notes on everything. Right now I’m back in the office two days a week and that’s so good! I’ve also managed to buy a house but I’m glad I was able to live with my parents while the restrictions were in place. It was anything but boring. Once everything is back to normal, ideally I’d work from home one day a week. Maybe that’s what we learned during this period of remote working, that we can do things like that more easily. I should add that all the information from DOC Kaas and all the measures taken were really good and just right. We even received a bunch of flowers, sent to our homes, as a thank you for all our efforts. That was really heart-warming, and great for the flower industry too!”



Hanneke Ensink, System Controller, DOC Kaas, the Netherlands.

“**I** organize and document container loading, and I prepare the tours in the UHT warehouse. That’s all going just as smoothly as ever. When we’re loading, we make sure we keep a distance to the drivers and other colleagues.”



Tobias von Holten, Transportation, Zeven Central Warehouse.

“**I** coordinate the commissioning and shipment of fresh products. Hygiene is obviously always really important to us. These days, we’re disinfecting our working areas even more often than usual and we’re keeping a distance from each other. Otherwise, everything’s working as usual.”



Horst Böckmann, Commissioning, Zeven Central Warehouse.

“**I**’m responsible for Facility Management, including cleaning and managing our stocks of disinfectants, disposable jackets and soap. Working from home took some getting used to. I have a laptop, my work phone transfers calls to my own phone and everything is working out perfectly. But we have two kids, age three and five, who couldn’t go to school or day care. At that age, you can’t just say, “go off and play,” so my husband and I take turns taking care of them. Of course, the phone rings when I’m downstairs with the children, and sometimes one of the kids cries while I’m talking. Everyone has been very understanding, though, because that’s just how it is sometimes. Luckily I can work remotely and manage everything within my working hours, and get all my tasks done.”



Nienke Beverdam, Facility Management, DOC Kaas, The Netherlands.

Detlef Stark,
manager of
Anklamer Agrar
in Mecklenburg
Western Pomerania



Agriculture amid the crisis

I need a cool head

Farmer Detlef Stark started preparing early for the coronavirus crisis – one of many other challenges. But he is confident, as he has steered his farm through many other difficult periods

There's a lot going on right now: we're in the middle of a pandemic, the fertilizer regulation has come into force and we're looking at a summer drought. Only a third of the grass has grown back and feed stores are all used up. If all that wasn't bad enough, we optimistically invested in a new calf barn, a slurry tank and a farm drainage system, for around €2.5 million, as it looked like the milk price would rise. No wonder I'm having sleepless nights.

The pandemic is a challenge for us farmers, but it's only part of the problem. Here in Mecklenburg Western Pomerania, we've avoided infections thanks to better hygiene measures and a complicated shift rotation system. The lockdown has played into our hands so far, as has the fact that we work together so well as a team.

We're a pretty big operation, with 1,350 dairy cows and 1,100 young cattle, and I need a cool head just to be able to manage that. Dwelling on my fears doesn't help, thinking about the global economy in crisis and sales falling in China and Southern Europe, and what that means for the dairy market. It also doesn't help to feel angry with food retailers who keep reducing the price of butter, cheese and meat. And I don't feel much better knowing politicians aren't likely to help with food prices, given they're trying to handle rising unemployment.

Even though things look rough, I know I'm pretty lucky. My farm is so big because it used to be an agricultural production cooperative. We supplied 34,355 kilos of milk to Deutsche Milchkontor each day in 2019. Aside from rapeseed

meal, soy meal and minerals, we produce all our feed by ourselves. We process manure in our biogas facilities to make organic fertilizer for the fields. Our revenues are higher thanks to this mass production - not all farmers are so lucky. It breaks my heart to see how lovingly-managed family farms are having to sell up after generations.

I don't have a perfect solution for our situation. Farmers have very different operations and systems, and I don't have an answer that would be right for everyone. I do think about it a lot though. To me, it seems clear that the conditions and relationship between dairies, farmers and retailers is going to have to be much fairer and more cooperative in the future.

Sometimes, I need time out to think clearly, in order to keep motivating my team. I force myself to get on my racing bike and ride through the Peene lowlands across to Usedom. These bike rides help me to find ways to cope and solve problems that I couldn't have worked out if I was sitting in an office. Maybe it's because I feel so at home here, this is where my roots are.

I grew up in this area. My father was chairman of the agricultural production cooperative and my mother was an accountant. Farming is the only way of life I know - at home, we had chickens, pigs and cattle. My father loved his job and I grew up seeing him managing a large business even when times were tough. It wasn't easy - that was in former East Germany and he didn't feel he could decide things freely for himself, as the regime and the party dominated all areas of life. He was frustrated by having to manage amid scarcity

Last year's corn harvest. Safety measures have protected the farm and its people so far. Farmer Stark is more worried about the likelihood of another dry summer

“We're grappling with falling milk prices and we need liquidity and we need to be able to plan ahead.”

and was very happy when the Wall came down.

One of the positive things about life in the GDR, though, was there was a real sense of team spirit and family cohesion, I feel. That really helped me after the fall of the Wall. In the East, we experienced total economic collapse, and without that community support, it would have been even worse.

After that, agricultural production cooperatives were turned into farming cooperatives and I managed the merger of Anklam plant production and Anklam milk production, which had 300 and 170 workers respectively.

We had to take on loans to handle property disputes with members of the agricultural production

cooperative who were leaving. We had to let people go, too - of the original 500 employees, there were only 60 left at the end. Those were the hardest conversations in my whole life. It's terrible to fire someone who has helped to build a company. Some people in the village didn't speak to me again for years. The thing is, without these measures, I know the operation wouldn't have survived.

With the coronavirus right now, this is a difficult time. We're grappling with falling milk prices, we need liquidity and we need to be able to plan ahead - and it's a real tightrope act trying to make sure no one comes down with the virus. That would be disastrous for production on a farm like this.

So times are pretty tough but I have to say it's not as bad as the restructuring in the past, or building up the company, and all the sleepless nights I had back then. I don't need to fire masses of people, or pay off old debts - we did that over the last 30 years. We've been through several crises - also the financial crisis in 2007/2008. All that has made us tougher and more resistant. I don't get as rattled as I did in the past. I do know, though, that I'm very lucky because I benefit from my farm's structure, it can't be compared directly with other farms.

Even with the crisis right now, I still think that being a farmer is one of the best and most interesting professions around. Harvest time is stressful but in a positive way and I feel great when the harvest is good - there are lean years but there are better ones, too. I'm developing my business, expanding the stables, and shaping the landscape through how the farmland is laid out. But what matters even more than that, what's most important to me, is that whatever I do or don't do, I can decide for myself.”

Some of the 36 employees on Detlef Stark's farm. They are the heart of the business and they carry it, particularly in times of crisis.



How the virus is reshaping our shopping habits

The pandemic is changing the way we consume, with people responding to the crisis in two distinct ways. Interestingly, some shopping habits are back that many thought were gone for good



Dr. Robert Kecskes is a retail expert at GfK, a market research organization in Nuremberg. He has also written many studies on shopping habits and consumer behavior.



LINK

You can find the whole interview here: www.dmk.de/en/what-excites-us/news-about-corona/

“Many people stockpiled.”

The crisis unleashed by the coronavirus hit consumers in two distinct phases. Firstly, people rushed to take action, while in the second phase, they adopted purchasing patterns familiar from the past.

As the novel coronavirus spread throughout Europe in February, GfK, a market research institute, noticed a significant change in shoppers' behavior. "People panicked in the three weeks before the lockdown was introduced in mid-March," says retail expert Robert Kecskes. "That was when people started stockpiling, buying products like pasta, flour and toilet paper in much larger quantities than usual." People started to worry much more that they would become infected with the virus soared, and suddenly saw supermarkets as places where they might catch it. At the same time, however, shoppers worried that some products might run out, Kecskes says.

Return of the weekly shop

However, these fears did not lead people to shop less frequently at the beginning of the crisis at least. "Many people stocked up so they suddenly went shopping more often. Panic buying meant some products simply were no longer available. So shoppers headed to other supermarkets to try and get them, meaning in quantitative terms, they were shopping more frequently," Kecskes says. This phase ended on March 22, GfK's data shows, when the German government imposed contact restrictions as part of measures to prevent the virus from spreading.

That radically changed people's daily routines, and their shopping behavior changed too, in two ways. "People were then shopping less frequently than before the outbreak, but they were bulk buying, in a move that resembled the classic weekly shop," says Kecskes. The pandemic unleashed a trip back in time, as this way of shopping is really anachronistic. We've noticed the opposite trend over the past few years, namely that people shop more often but buy fewer items each time.

Rediscovering home cooking

In April, people were called on to wear protective face masks while shopping in Germany, leading to another psychological turning point. Wearing face masks made it much clearer that going to supermarkets was risky, even though the number of new infections had fallen significantly by then. For shoppers, what mattered was to buy the basics. Amid the outbreak, stores dramatically scaled back marketing measures such as special offers and displays. "The overall shopping experience has suffered as a result," says Kecskes.

The frequency that people shopped was not the only thing to change

- consumers also bought different products. The measures adopted by the government restricted people's contacts and also meant restaurants and schools were closed for months, including canteens and dining halls. Many companies, meanwhile, asked their employees to work from home. "All that meant people were almost only cooking in their kitchens at home. Grocery shopping increased significantly, we noticed. Some categories typically consumed outside the home gradually were bought more often too," says Kecskes. Dairy producers were among the food producers to profit from this trend.

Spoiling ourselves

In some areas, revenues shot up by a double-digit percentage compared to last year, as consumers chose to treat themselves during the pandemic. GfK's research shows revenues for more expensive

“Many people are realizing that things cannot continue as they were before.”

brands rose more than private label revenues from March 22 onwards. As people weren't eating at restaurants and were generally saving money that they might have otherwise spent during their free time, they spent more on food, despite the crisis unleashed by the virus and its economic consequences for households. "The demand for quality and sustainably-produced products that rose due to the pandemic isn't going to fall again," says Kecskes.

Sense of solidarity

This presents food retailers with a major opportunity, he says. While the pandemic led to fear, it has also created a strong sense of solidarity. That applies across the board, from the friends people were unable to see for long periods of time, to their personal environment. "In the crisis, people really noticed that consumer behavior had come to be defined only in terms of amounts. That created significant uncertainty," says Kecskes. He says people have woken up. "Many people are now more aware that things cannot go on as they had before.

More and more and more, and ever cheaper - this logic of increase is being replaced by a logic of discovery, as people asked how can I support the communities that help me be stronger and more resistant to such crises? That clearly includes buying more regional products even if these are slightly more expensive than what people usually buy." In the future, when they go shopping, consumers are going to pay more attention to regionalism and quality.



Less frequently, but larger quantities: Contact restrictions led to the return of the weekly shop for many people



LINK

You can find more information about the 2019 financial year and the current situation in the annual **report** at www.dmk.de/en/who-we-are/integrated-annual-report-2019

“I was impressed by how everyone is pulling together”

CFO DR. FRANK CLAASSEN

“We are all learning a great deal in a short time right now”

CEO INGO MÜLLER

“A stress test for us all”

Ingo Müller and Dr. Frank Claassen on DMK and the coronavirus, the international outlook amid border closures and empty supermarket shelves

Mr. Müller, Dr. Claassen, how have the last few weeks been for you?

Müller: When we decided on new structures for the DMK Group, we were aware that we were putting huge changes into motion, so we decided to talk with lots of farmers, employees, customers and politicians. We knew that we were making major demands of everyone involved. In the last few weeks, what we've experienced amid the coronavirus is a whole new level I couldn't have imagined. It's a stress test for us all. But let me say right away that I am really positively surprised how well our company and our community is managing this situation.

Dr. Claassen: What impressed me the most is how everyone is pulling together. We had to adapt to completely new working conditions within just a few days – remote working, additional hygiene and social distancing requirements in production and logistics. I have enormous respect for the fact that we are managing to keep so many projects on track and kept working on

them after only a brief interruption.

Many consumers only realized how serious things were when they saw the empty shelves in the supermarkets – is this a good time for food retailers?

Müller: If only! But we have to take a closer look at the market. Restaurants, canteens, all the areas that our Food Service unit handles saw business shut down completely for several weeks. We can partly balance that out because we supply food retailers where demand has increased enormously. But many rivals who only supply the catering trade are now trying to break into the retail market with products at cut-throat prices. That's normal competition, though.

At the beginning of the crisis, politicians called on shoppers to be sensible and at the same time told retailers to look to local agricultural producers as a guarantee, to avoid shelves becoming empty...

Dr. Claassen: The German Chancellor and the Agriculture Ministry invited retailers and farmers to Berlin and called on retailers not to offer food for the lowest prices possible. Food is valuable!

Müller: There are some contradictions in terms of what's happened since then. Consider the advertising campaigns that retailers ran at the height of the crisis. They mainly directed their thanks towards their own employees. That's definitely well-earned, but it would have also been appropriate to mention farmers and the industry that's making sure shelves stay well-stocked. We did see some of that but relatively little in comparison. Because without them and without us, cashiers wouldn't have had any products to scan.

Nonetheless, consumers still felt as though there could be shortages of some products and started stockpiling UHT milk and pasta ...

Müller: We didn't have any supply shortages. On the contrary: We increased our supplies of particular products by 30 %

within a short period of time. That was a huge production and logistical challenge. Our customers saw how valuable that is and realized what an extremely reliable supplier we are. We owe thanks to each and every employee for this achievement. I would like to express my special thanks to every single one of our workers!

That was not the only challenge though ...

Dr. Claassen: No. DMK's Service area also had to react quickly. We had to introduce Microsoft Teams more quickly in order to be able to organize video conferences faster. For employees working from home, that was a relief, meaning we could continue working together even if we didn't meet at the office. The One Finance project (see p. 52) shows we barely lost any momentum.

Borders were closed for months and some still haven't been re-opened.

What does that mean for internationalizing our business?

Müller: We are continuing to press ahead with our activities abroad. That applies to core markets in the Netherlands, Russia and China (see pages 36-37). What counts here is that we see these countries as their own separate markets that we want to serve individually from those locations. We're working to create closer and better connections between the different sites so everyone can learn from each other and to unify and simplify processes. That's what our MAXIMA project is about in the Netherlands, that's what we're doing as we expand our business in Russia, and also in our activities in China.

When will life at DMK go back to normal?

Müller: When someone asked me when things will calm down, I said: Probably never. We are in an extremely dynamic environment and the coronavirus has

only made it more so. That means we have to be agile too, and recognize and manage changes. And that's an additional task for our managers who have to motivate our employees and keep them up to date while remaining open for feedback and criticism. We are seeing that the coronavirus pandemic is by no means over - quite the opposite. We have all learned a great deal in the past few months. In the future, we will go on, armed with this knowledge and taking appropriate care.

Looking back at the last few weeks, what made the biggest impression on you?

Dr. Claassen: I am really impressed by our employees' flexibility and creativity. **Müller:** We talk a lot about our company values. I really feel that we are actually living them, too, when I look back at the past few weeks. **Entrepreneurial, fair and innovative.**

What makes a good manager?

Listening, communicating, taking action – in the crisis, there's great demand for management qualities. This is no time for hierarchies, says Ines Krummacker, Chief Human Resources Officer DMK

Managers have to be strong for their employees right now. What kind of challenges are they facing?

They are having to draw on their leadership qualities in order to keep their teams together even from afar. They have to work out whether everyone has the right tools to be able to work effectively – whether the tools are in place for people to be able to work together, or if some issues should become a higher or lower priority. Communication is the most important thing, to work out the mood in the team and to respond appropriately. That's not easy. It's much easier to sense conflict, undercurrents or sensitivities in person, when you're around or having a direct conversation.

Does anything become more obvious when you're having to communicate from a distance?

It shows which managers are really cut out for new ways of working. Many managers lead agile teams who work almost independently on projects. Employees need support and the knowledge that they can contribute their ideas and communicate as equals. A good manager gives their team the stage – there's no longer any room for the kinds of hierarchies where people are

scared of their boss. Nowadays, the opposite is true: employees who are afraid to contribute – and occasionally make mistakes! – are only working by the book. At DMK, people can make mistakes and share their knowledge and ideas – those are the values we live and breathe.

You can often see from a distance whether or not a change process is working out. How is agile working going, and are remote working and collaboration tools working out?

They're going very well, even if some are still struggling with them. Most people are realizing that new ways of working are possible. That's partly because before the pandemic, we introduced the MOVE project, optimizing all our working processes in order to create much more efficient ways of doing things. That includes working remotely and also a culture of feedback. We realize that employees need communication, need to be valued and need structure. That means I need to take an interest in them

and listen, particularly in tough times. Our colleagues are not only separated from each other in spatial terms, they are also experiencing uncertainty in their personal lives. How can I help them? That's the question to ask – managers who are putting additional pressure on people will find their teams perform worse in the end.

What would have happened if we hadn't introduced possibilities such as remote working before the pandemic?

Clearly, our administrative teams would not have been able to work and that would not only have constrained or stopped our operational capabilities, it



would also have led to short-time working, and insecure jobs.

You've worked for DMK for 34 years and you've also experienced a different

junior employees are aware right from the start whether a company's executives respect them and let them get involved.

Managers have to be trusting ...

And that's why even at interview stage, we look at whether potential managers suit our company culture.

We make very clear demands of our leadership and

when we analyze managers' potential, we learn a lot about their personalities – even before they come on board.

How do you find out about their personalities?

We don't go into the details so much as gain a broad overview by asking

what's important to that person, what they are concerned about, and what has shaped their lives. We ask them about the challenges they've faced in their lives, and what they want to pass on to their children. We look at their resume and ask questions we think are suitable. We can tell from their answers what kind of framework of values the person has.

Can employees also judge their managers?

Yes, absolutely! We have tried to assess how far our leadership culture is being lived in everyday life in several employee opinion surveys over the past two years. The "ChangeTracker" is anonymous but it can be broken down by teams. The instrument shows which tools and

measures managers are using and whether they are achieving the desired results. It also shows where things may be difficult so that managers can address particular issues. And there's a new measure to help us evaluate executives' managerial skills and competencies: the Human Capital Index. If this is low, the manager clearly has to develop new measures and work more on their leadership, ideally together with their team.

Who do you see as a good manager?

Someone who knows their own weaknesses and isn't afraid to name them. No one is perfect and when people accept that, they can show their team that they aren't infallible. That helps employees lose their own fear of failure. I think mistakes are part of the process of improving. That helps managers to be less distant and be someone that people are able to identify with. A manager should be technically competent, of course, but it's no good if they have never learned how to deal with difficulties and obstacles.

"A good manager gives their team the stage"

kind of leadership culture. Why was change needed?

At the start of my career, managers – like in many other companies – symbolized better, cleverer people who had a higher status. Employees were clearly subordinate to managers. As a young adult at the company – at the time it was Botterbloom Milch + Eiscrem eG – I would also make canapes for my boss' birthday party at home, or run out and buy a present for his niece. Crazy, isn't it, how times have changed? That was normal back then. You wouldn't catch younger workers doing that these days, they'd think it was very strange. These days,



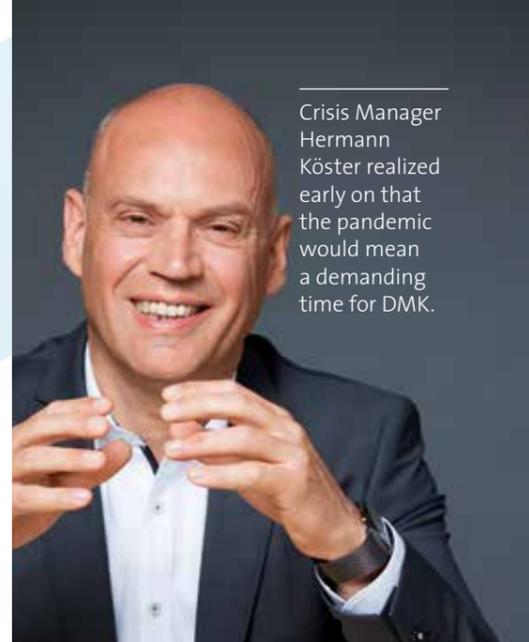
In Person:

Ines Krummacker, 50, Chief Human Resources Officer, has worked for DMK for 34 years. After completing her training at the company, she has held all human resources posts before becoming a member of DMK's management board in 2015 for the personnel sector.

“The Coronavirus Task Force”

Taking the right track through the crisis

The crisis team steered DMK through the pandemic, under Hermann Köster’s leadership. His main feeling? Gratitude



Crisis Manager Hermann Köster realized early on that the pandemic would mean a demanding time for DMK.

Meetings



1,500 people,” says Köster. This was a critical step, definitely worth taking, and is still working well today.

“I had my doubts at the beginning, but now that several months have gone by, I have to say that working via telephone and video conferencing has become an integral part of our daily processes,” says **CHRO Ines Krummacker**. “Teams in some areas have even managed to set up video coffee breaks each day so everyone can keep in touch.”

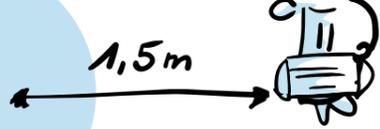
The pandemic has affected every part of the company and every single employee. Alongside farmers on their farms, employees in the production sites have also played a critical role in ensuring the company was able to function and keep the populace supplied with food.

“I owe my thanks to everyone for their tireless work,” says Köster. “And I mean everyone: From the farmers to the milk collectors, the internal sales team through to the employees in the factories and warehouses. And, of course, the administrative teams.

Stay home if you are ill



Keep a distance



It was February when the management team began to realize that they were looking at a potentially very serious situation. The DMK Group’s crisis manager was following the news coming out of China with growing concern, reading about the novel lung disease that was spreading rapidly out of Wuhan and raging through Italy. And while Covid-19 had become a familiar term for virologists, Germany’s Bundesliga was still playing soccer games in packed stadiums and thousands of people were gathering to celebrate Carneval. Hermann Köster and other crisis managers

moved to set up the DMK Group’s coronavirus task force. That group of experts now includes more than 30 members. They all made sure that so far, DMK, its employees and farmers, have come through the crisis relatively unscathed, thanks to their swift decision-making and foresight in setting up safety measures.

First things first.

The Task Force, which encompasses Köster, DMK management and members of DMK’s crisis team, started to tell employees about initial preventative health measures in early March, through regular emails, posters and signs that called on people to wash their hands more often, keep a distance from each other and, most importantly of all, to stay at home if they showed any symptoms of illness. This focus paid off, as so far, the DMK Group has seen very few cases of the coronavirus.

The group talks every day and is in constant exchange about what to watch out for, what could happen next and which preventive measures to take, in order to protect the company and its workers. It was clear from the outset that DMK was one of Germany’s key food businesses and of systemic importance.

Germany saw infections surge in mid-March, a time when decisiveness was needed. The Task Force informed all executives on March 13 that any desk-based employees should work remotely if possible. “I am so pleased at how quickly our company was able to work together with IT to roll this out for around

They had to keep heading to work to keep the business running. The last four months have really been a learning experience in terms of team spirit and a sense of “us” across the whole company, he says.

The logistics department, too, had to adapt to the virus.

“We were focusing on the virus non-stop,” says **Logistics Director Hartmut Buck**.

“We were working on finding warehousing space for finished goods, packaging and empty containers. And at the same time, as international borders were closed and goods were moving more slowly, we also had to keep an eye on our supply chains, to ensure we could maintain supplies to our domestic and international customers. In this peak phase, we could really sense the company’s team spirit.”

While many desk-based employees could work from home and quickly got up to speed with new processes and ways of working, Köster and his task force were already on the next step. They asked themselves how a “new normal” might look amid the coronavirus, what form would daily work might take and how would production work with the pandemic? Furthermore, they wondered, how could the company prepare for a potential second wave of infections? In the course of the outbreak, the task force developed detailed operating procedures to protect employees’ health and secure production and supply chains. They canceled work trips, suggesting digital meetings instead, called

“The key thing is to stay calm and don’t get careless.”

on suppliers and service providers to follow special health regulations, and reduced external visits to plants to an absolute minimum. The list of recommended measures, developed in line with recommendations from the health authorities and the Robert Koch

Institute, Germany’s disease control center, went even further. They also addressed washroom cleaning cycles, determined where hand sanitizer should be placed, where partitions were needed if social distancing was not

possible and determined the allocation of protective face masks. In short, their extensive planning addressed every last possible detail.

Each employee received a leaflet explaining the main guidance on health and behavior in order to help everyone get used to the new daily routines.

And together, all these measures help prepare the company for a return to the “new normal.” Remote working is now in place for employees on a voluntary basis, initially until the end of August. Personnel stores will also remain closed until then. Meetings are only to be held if they take place in line with the current social distancing and hygiene regulations, if they need to be held in person at all. Evening events are banned for the time being.

Will the crisis be over after that? That’s unlikely.

Looking back, Köster says one thing was clear to him right from the start. “No one could and can say exactly how the pandemic will affect

our lives in the future. What you need to do is stay focused, keep a clear head and not get careless, even if there were times we all had to take a deep breath.” By June, as infection numbers fell and hopes arose that normality might return, the German government eased some of its restrictions. The crisis manager started to relax a little too.

But it was also clear that the crisis is not a sprint, and is far from over.

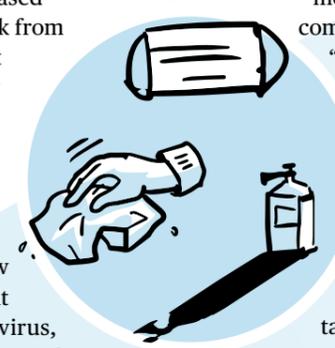
This is more like a marathon, demanding stamina, awareness and caution.

“We are working and living amid a pandemic and that’s challenging for all of us. The situation, and what we know, is constantly changing. That means we have to be dynamic too, while at the same time staying calm and clear, without going into overdrive and rushing into things,” says Köster as he reflects on one of the most turbulent periods in his career. “For us, even if the situation is a bit more relaxed right now, we have to stay alert and keep a careful eye on how things are developing. If we keep being sensible and behaving with foresight, we will come through this crisis in good shape as a company, and perhaps even emerge stronger than before.”

It’s thanks to the good sense and willingness of all farmers and employees that DMK has come through the pandemic so successfully so far – as well as thanks to the painstaking work of the Coronavirus Task Force. Or, as CEO Ingo Müller puts it, “it makes me proud to see how we as a company have handled this stress test so far. Times like this show what we as a community are capable of achieving, and what WE means!”



Hygiene



One Finance

The focus is on steering

DMK is modernizing its finance department to make the figures more transparent and working processes more efficient

Dirk Mahlstedt, Head of Planning & Reporting and Projects

ONE FINANCE

Dr. Dirk Mahlstedt, Project Manager of One Finance, is a happy man. He's been leading the restructuring and modernization of finance at the Group since December 2019, following an initiative by Finance Board Member Dr. Frank Claassen. The core 20-strong team working under Dirk Mahlstedt, Claudia Parman, Werner Krieger, Frank Keßling and Florian Haberland are reorganizing processes and steps to make the company's figures more meaningful and reliable. Where needed, they call in experts from other departments including personnel, Global Business Services, Production, Sales and of course IT.

Part of the CFO's Agenda

Finance, like the rest of DMK, is working to become faster and more efficient, aiming to make the figures that the department generates more reliable and transparent to give management a sound basis for

decision-making. That makes One Finance an important part of the CFO's agenda, preparing the department for the future. For the project team, that means digging deep into different processes and systems. "We're addressing almost everything," says Mahlstedt. "Settlement models, reporting, planning and the finance organization."

Focus on the milk price

This may sound abstract but it will have very real consequences. One of the first big goals is establishing an ambitious target milk price to meet farmers' legitimate expectations for a competitive price for their milk. This target price is oriented towards what is known as the 11-point average that key rivals pay farmers. Management reporting now makes it easy to see whether the Business Units are meeting this target or where there are gaps that need to be closed.

"Our project is an investment like any other real investment"

A vision for the future

For the first time, One Finance is introducing strategic financial planning. In the future, the department will look further ahead, while needing fewer resources. "Up until now, we planned for the following year and updated it," says Mahlstedt. "Each

year, employees in finance had to update the plan several times." Strategic finance planning means in the future, there will be a ten-year horizon, medium-term plans that look at the next three years and provide more detail, and also a concrete plan for the year ahead. This is only drawn up once, in the second half of the year.

This system will not only be more consistent, as CFO Dr. Frank Claassen sees it. In the future, managers will also be assessed according to whether or not they are meeting their short, medium and longer term goals.

„Like a building site“

"Our project is an investment like any other real investment. It's just that we are not buying a machine or a building, but investing in processes and systems," says Mahlstedt. Planning began in autumn 2019 and the modernization of finance as a function is due to be complete at the end of 2021. In 2020, the focus is on the four milk Business Units, extending to encompass the Group as a whole in 2021.

One Finance is building on the results of previous projects that are now being integrated into a single coherent system. Right now, the finance division is in a transition year, amid all the changes associated with One Finance. "Ultimately, we're like a building site: this year, we're

undergoing a core refurbishment, and in 2021 we will expand the attic," is how Mahlstedt describes it.

Transparency provides clarity. One Finance also aims to make the numbers the department generates more relevant. "By establishing the Business Units three years ago, we adapted the organizational structure to meet the demands of the market. But there are several levels of value creation in one business unit, from production to sales, so the current figures often don't tell us enough." To gain a clearer picture in the future, plant and sales will be viewed separately as of the summer. This greater transparency will let management take much more targeted action. "Many of the results of this project are going to be integrated into a new management reporting scheme, ready for use right away." In the long term, all this information will be processed in a new foundation that will reflect the coming project results."

One Finance also shapes company culture

Mahlstedt and his team have not lost sight of the employees and stakeholders in all the business units, even as they focus on processes, tools and figures. After all, it is the people in the company who have to help implement all these changes. One Finance is a driver to establish one single way of working, not only in the finance division but beyond, too. That's why Change Management is also an important part of the project, to persuade employees of the value of all these innovations and to win acceptance for this new shared way of working, and anchor it in daily life.

This is working well within the team already, as the crisis triggered by the coronavirus has shown. Just two months after the start of the project, the team members had to start working remotely. Nonetheless, they kept working together effectively, says Mahlstedt. "The conceptual work was tough at first, at least. Overall, though, I'm amazed at the results you can achieve while working virtually."



Marco Bode,
head of the SV Werder Bremen
Supervisory Board and European
football champion

The secret of success is trust

The more a team knows about a company's strategy and tactics, the better it can perform

We already know how crucial it is for a football team that everyone on the pitch has the same tactics in mind, rather than every player pursuing their own goal. Effective communication is needed about targets, strategies and tactics

for this to work out. Another key prerequisite is preparing to meet your rival and that's becoming increasingly important. One standard part of match preparation, as practiced by our manager Florian Kohfeldt, is making sure there's maximum transparency when it comes to all the relevant information. Collectively and individually, the team is prepared to meet its next opponent. This includes analysis, performance data and statistics from past games about the team we're playing against, concerning mileage (distance and sprints), the players' strength in duels, passes completed, packing or

expected goals and effectiveness. The players are given all this information in team meetings, video analysis or individual apps. The goal behind all this is to make sure that the players are as well-prepared as possible for the next game! Transparency also plays an increasingly important role for companies.

One exciting tool is scoreboard management, a way of visualizing key company figures or the progress made on a particular project. That helps employees or the team involved see the current score, and bear the shared goals in mind! The tool can help support smaller goals, such as making meetings more effective, or a

continuing project, until a company's financial figures become wholly transparent. This approach requires managers to place a lot of trust in their employees. If the process works, it offers major

opportunities, because if everyone in a company is armed with plenty of knowledge and clarity about goals, challenges, problems and also successes, that can power employee motivation and company culture! In a game of football, after all, every player can look at the scoreboard at any point during the game to see the state of play!

„Transparency also plays an increasingly important role for companies.“



A classic...

Uniekaas has stood for pure, genuine Dutch Gouda for more than 50 years. People in Dutch households can't imagine life without it. Now, thanks to digital tools, the brand is gaining even more visibility

For Uniekaas, the recipe for success is based on creativity and craftsmanship, coupled with innovation. The company is pursuing new ideas amid the current crisis, too. "We started a communications campaign in May, in the middle of the coronavirus pandemic, to further develop brand awareness," says Corrien Bakker, Marketing Manager DOC Dairy Partners/Uniekaas. "At the same time, we wanted to join shoppers on their journey to a purchasing decision, and get to know them better." Customers interact with a brand in several ways in the process of deciding what to buy. These aren't confined to direct interactions between the shopper and the company – advertisements, TV ads, website – but also indirectly, when people ask someone else what they think of a brand, product or service. Such sources can include blogs, user forums, rating portals and more. Shoppers find out about products by using all of these sources of information that companies can't influence directly. So for marketing and sales that focuses on customers, it's crucial to gain a deeper understanding of the whole customer journey.

Corrien Bakker has been Marketing Manager Uniekaas / DOC Dairy Partners B.V. in Kaatsheuvel, the Netherlands, since 2020. She was previously Marketing Manager, DOC Dairy Partners for eight years.

... gets digital.

Keep in mind

The campaign embraces a whole range of information sources to help shoppers bear Uniekaas in mind. On TV, Uniekaas presents shows associated with the target group and accompanies them with advertisements. Outdoor advertising runs on billboards that are close to supermarkets. "Lots of companies canceled their ads due to the Covid-19 pandemic, so we were able to hire these at a low cost and run a major campaign. And these ads really caught shoppers' attention, given that going to stores was people's only real chance to go outside while the coronavirus restrictions were in place," says Bakker.

Using digital ads to raise sales

Uniekaas is also using the internet to gain shoppers' interest, with ads developed specially for display advertising and social media. When shoppers with smart phones approach a store that sells the product, their phone displays the latest ad for the Uniekaas on sale there, a move that's already having a positive effect on sales and brand recognition. "For Uniekaas, the past few weeks have been an interesting and attractive time to communicate with customers, as during the pandemic, consumers are showing greater interest in credible brands that they're already familiar with," she says. As the Netherlands' oldest cheese brand, Uniekaas has a distinct advantage there. "And the attractive price-performance ratio gives shoppers a last nudge towards making a purchase."

Special **digital ads** developed for social media are attracting people's interest. When shoppers approach somewhere selling Uniekaas, shoppers' **smart phones** show ads for the product.



SAFE GUARDING
This is where the corporate guidelines and strategies are developed that we work on.

SKILLS
This is where the whole company's knowledge and conceptual abilities are concentrated.

SERVICES
Global Business Services (GBS) makes its capabilities available to the whole group as an internal service provider.



SHAPE
This is where our company's six Business Units are located, each with its own independent BU head.

THE MAXIMA PROJECT

Thinking and acting globally

The limits of globalization were exposed in the crisis unleashed by the coronavirus. Nonetheless, we are still working to become an international company

Globalization and being international are important for all export nations, although in the current crisis, their economies found that global connections can also be problematic. International supply chains are more fragile than they appear. Outsourcing production abroad does not make sense when borders close, flights are grounded and ships are stuck in ports.

What's clear for our dairy, though, is that DMK's internationalization is still a key part of our strategy for the future. We are mainly focused on our activities in the Netherlands, Russia and our collaboration in China. For DMK, exporting is an important mainstay, but CEO Ingo Müller notes that, "regional bases in Russia or China with local teams are more effective for us than just exporting from Germany." Classic exports to these countries only make sense if DMK is dealing in major volumes, he says. What is

most important is that there's no loss of friction through working together with companies in other countries. It makes no sense to duplicate work - that only costs money. DMK is currently engaged in a process of adjustment to achieve seamless collaboration. The MAXIMA Project is running at full speed in the Netherlands, where all processes and structures are being adapted to DMK management in Germany. In the future, our colleagues at DOC, DDP, Uniekaas, DVN and DP Supply will work in line with the proven model used by their German colleagues.

While in Germany, the 4S logic is now almost part of everyday life, these mechanisms are going to be explained at Dutch locations and work will be organized according to this model. Our German SAP software is also to be successively rolled out in the Netherlands.

The aim of all these processes is to become an organization that thinks globally. The 4S model defines four clear areas of work for management in order to avoid duplicating work and to increase our flexibility, knowledge and skill across all of the organization's units. Responsibilities are clearly allocated, enabling each organizational unit to focus on its core activities:

- **Safeguarding** is where guidelines are developed, at the Corporate Center, to apply to all areas of the business. This is where overall strategies are created, governing for example how capital is allocated throughout the company. We assess how far our business activities fit with our company strategy on a daily basis.
- **Shaping** applies to all local, regional and global areas of the business that are implementing our strategy in operational terms. This area includes all six of DMK's

Business Units. Each day, we assess how far our activities make sense for the best possible implementation of our customer business.

- All our departments' expert knowledge is gathered under **Skills**, making this available centrally for all. Each day we ask whether an activity requires specific expertise that other units could benefit from too?
- **Services** is where all activities for other departments are bundled that often repeated, such as payroll or accounting. These activities should be standardized and offered centrally. What colleagues here ask themselves daily is whether there are activities that could be standardized for the benefit of several units?

Internationalization is not a one-way street, though.

Where there are good ideas in the Netherlands, or good ways of working, we will of course adopt these in Ger-

many, too. Knowledge and know-how needs to be distributed across all areas of the organization. Basically, our Vision 2030 applies in all of the countries that we work with. That's important as it gives us a shared sense of what we are doing. This is particularly important for a cooperative that's centered around a sense of "us" between farmers and employees.

OUR VISION:

We are the first choice for customers for dairy products of natural origins - for always. Dairy products form the basis of our product range. We offer the best selection of dairy products and are expanding into related food and drink segments. We want to be the leading competitor in select strategic markets.

OUR MISSION:

For us, the customer comes first and we keep customizing our offering around that. We optimize our key

products to exceed our customers' expectations. We know how to get the best out of our milk and we stand by our sustainable responsibility. We are responsible for our dairy farmers, our employees and our consumers. We achieve the best possible milk price, create a platform for our employees and produce good products.

OUR VALUES

Despite all the changes currently underway, our core values are unshakeable. DMK stands for fairness, innovation and entrepreneurial spirit. We want to live these values, together with our 7,700 employees. We owe it to our farmers to reduce the cost of administration, increase our efficiency by pursuing synergies and aligning our working processes around the world, even if these are carried out in different countries. Because without becoming more international, we cannot be equal to the challenges of the future.

On Course in Russia

Under the original plan, the first cheese specialty made by our new production site in Russia was due to hit the market at the end of the year. However, this is proving unrealistic, given the restrictions imposed to contain the spread of the coronavirus. But we are still on target, and are on track for completion in the first half of 2021.

The distance between Bremen and Bobrov is 2,500 kilometers, a 25-hour car journey. There, our new production facility is mainly producing cheese in different

formats, along with cheese for cooking and other specialties. DMK is now among the leading blue cheese producers in Russia with a 20% share of the market.

Right now, we are expanding capacity for this particular specialty as demand currently outstrips our production capabilities. At Bobrov, up to 600 tons of milk will be able to be processed on a daily basis, up from 20 tons a day. DMK has invested a total of €18 to €20 million in production facilities and infrastructure at the Bobrov cheese factory so far.



Blue cheese is a hit in Russia and this is how it's advertised there



Masks from China

A powerful sign of connection! We were delighted to unpack a very special present at the end of March: 8,000 protective face masks from China. Together with colleagues in the Shanghai office, the Sage Group, our partner there, and customers the Yili Group, GuangDong Beric Food, Shanghai Pujia Food Technology and DongLi Youzhi collected masks to say thank you for the support. We were thrilled and want to say a hearty thanks for this kind gesture in such a difficult time. The masks were put to good use by production workers in Altentreptow, GMH and Zeven.



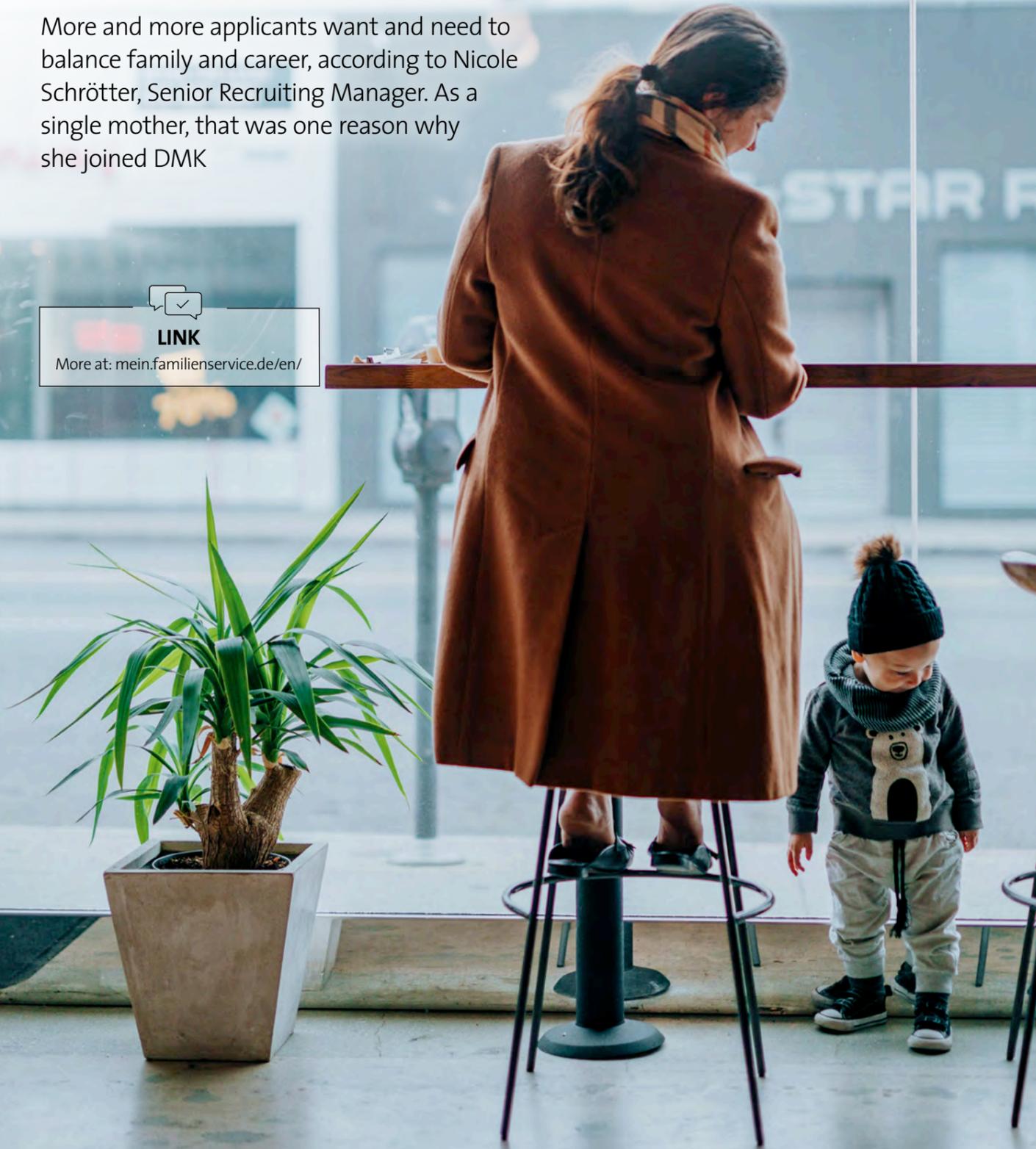
“There’s no pressure when you come to work”

More and more applicants want and need to balance family and career, according to Nicole Schrötter, Senior Recruiting Manager. As a single mother, that was one reason why she joined DMK



LINK

More at: mein.familien-service.de/en/



You recruit all staff, from dairy technologists to industrial clerks to marketing managers. What needs and ideas do they all have in common?

They want the chance to work flexibly. They want a safe and secure workplace, but they also want to be able to manage balance their families and their career - that's why often, they ask about flexible working times and sometimes about teleworking. People ask very concrete questions, such as whether people can take company laptops home, or which collaboration tools and systems DMK uses.

You're a single mother with a 9-year-old daughter, working full time. Is that hard to manage on a day-to-day basis?

The company gives me the freedom to work flexibly, otherwise it would be impossible. I do telework once a week, which means I can focus on preparing presentations or reports while being with my daughter. Sometimes I go home and call applicants for telephone interviews in the evening. They're a lot more relaxed than if I had reached them all stressed out at midday. I go home if my daughter gets sick - no one gives me any funny looks. There's no pressure when you come to work. DMK is trying out several models, and not every way of working suits every field of work. But this flexibility in thinking is exactly what's needed for modern work in times of globalization when markets are volatile. More responsibility,

more flexibility, more teamwork and more knowledge about employees' everyday situations.

Has the pandemic sped up the process of trying out new models of work?

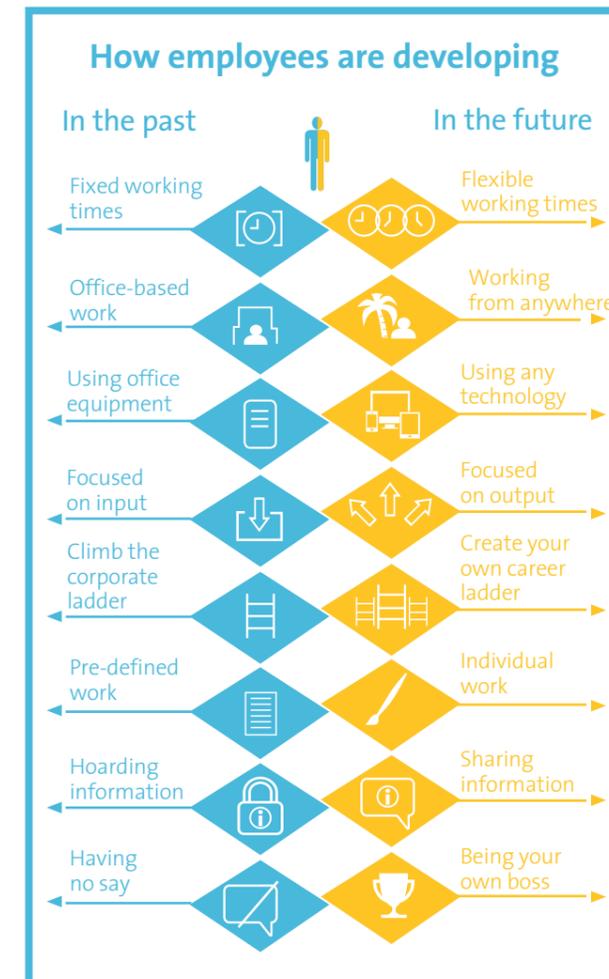
Definitely! We agreed on particular collaboration tools and are much more practiced at running video meetings and coordinating teams who are working remotely.

Families are struggling with a double burden amid the pandemic. How can DMK support them?

There are several ways: our family service is a sort of hotline that employees who have children can call any time. If the nursery's closed, they can ask what to do with their child, and be referred to child care possibilities. Or they can ask how to keep their kids busy while they are working? Professional advisers provide child care tips. That support goes further, for example if people are caring for family members, they can receive advice on how to deal with illness or find outpatient services.

What's your experience of employees who are forced to try and balance their families and careers?

It's interesting - many women worry that they won't be attractive to employers if they mention what they do as mothers. But DMK does not choose people according to their gender or family or anything else like that. It's the opposite, actually. Employees with families often have a much more structured approach to work. I can confirm that from my own experience. We're able to get organized and have high expectations of ourselves. If businesses allow such staff to work flexibly, then it's almost never a case of "no I can't sorry." I've been working for DMK for two years. I didn't have the option of such a dynamic way of working at my previous employer. Even if I'd been an organizational genius, the working times there were so fixed that as a mother, I would have had to compromise and do a less demanding job at some point. I didn't want that, that's why I left.



Zur Person: Nicole Schrötter is DMK's Senior Recruiting Manager, specializing on the Brand, International, Baby and Ice Cream business units. She focuses on university marketing and is deputy department head. Here, she's joined by her 9-year-old daughter Mia.

Hand in Hand in Hoogeveen

Wheyco has taken over DVN, entering whole new dimensions. The two are growing together despite the coronavirus, and already have a real team feeling



Daan van Wilsum, Team Coordinator, Processing Department, at work in Hoogeveen.



Mechanic Henk-Jan Nijmijer and his colleagues keep the technology working so that everything runs smoothly.



DVN is now wheyco: the new brand has been printed on sacks of whey permeate since April.

“We have the shared duty to bring the best of both worlds into the future organization. That’s the only way we will succeed together”

Martin Humfeldt,
Managing Director



High tech in Zuivelpark: Every hour, 120,000 liters of whey flow into the wheyco plant in the Netherlands.

“The takeover enables us to keep expanding our whey business into markets where value is created”

Alexander Godow,
COO DMK Industry

The big moment came not long ago, when sacks bearing the wheyco logo were filled with whey permeate in Hoogeveen, in the Netherlands, for the very first time. That was the first visible sign of the merger between wheyco and DV Nutrition, creating one of the world’s biggest producers of whey derivatives. Employees from the two companies had already become one single team. On January 1, the day of the full takeover of DVN, 69 new colleagues were integrated into the Industry Business Unit at the DMK Group. Just as in Al-tentreptow, WPC and permeate are produced there, too. The Hamburg sales office handles customer contact. The DMK Group held shares in the DVN joint venture since 2004, together with Volac. At the start of the year, the company was merged as part of the group’s expansion into European and Asian growth markets within Vision 2030. “The full takeover of the joint venture is another step enabling us to expand our whey business further into value-creating markets,” says Alexander Godow, COO DMK Industry.

Growing together as a team

The takeover did not only suddenly double product volumes, it also brought benefits for employees working on site. “We don’t have to communicate across such a long distance now,” says Mirjam Vreugdenhil who works on the Hoogeveen customer service desk. “It’s great to get to know our new colleagues from DMK.” Kerstin Aue, a wheyco marketing manager, can only return the compliment. “It’s been really good to get to know our colleagues in Hoogeveen better and to grow together with them as a team.” The restrictions imposed due to the coronavirus pandemic, which also affected the location in Drenthe province, did not prove to be a hindrance. Of course, sometimes, things took a little bit longer to coordinate with the new group, says IT project manager Pim Draaisma. “Most of us here in Hoogeveen haven’t worked with an organization as large as the DMK Group before.” In software terms, there is still work to be done before both sides are completely synchronized, he said.

Profiting from experience

There is already a real team feeling. “We have profited from the power and extent of the DMK Group’s network more than once over the past few months, when we had to solve problems quickly,” says Draaisma. His colleague, human resources officer Monique Compagner, adds, “Integrating DVN into wheyco opens up a lot of new possibilities for us. The knowledge and experience of both locations will help us keep growing and enable us to be more successful.” It’s no surprise that employees are seen as the binding ingredient throughout the whole business unit and the Dutch location has also embraced this maxim since 2020.

Every hour, 120,000 liters of whey flow into the highly modern dairy park “Zuivelpark” from the neighboring DOC Kaas plant, through pipes into the wheyco plant. The proximity to cheese production is an important reason behind wheyco’s high-quality end product, as the freshness and quality of the whey are decisive when it comes to producing whey derivatives. A small part of the whey is also supplied from Alteveer and Edewecht, and is processed in Hoogeveen.

“We have the shared duty to bring the best of both worlds into the future organization,” says Managing Director Martin Humfeldt. “That’s the only way we will succeed together.”

“It’s been great to get to know our colleagues in Hoogeveen better and to grow together with them as a team”

Kerstin Aue, Marketing Manager

High-value production

First, the whey is pasteurized at exactly 72 degrees, to ensure the proteins are not destroyed. It’s important that the whey is fresh and contains relatively little bacteria, however, because not all bacteria is destroyed at this relatively low temperature. The finest-quality ingredients are needed in order to produce a top-quality end product. Then, in a complicated separation process, a whey concentrate is extracted from the whey, which consists of 95.5% water. It is then processed further, while the water released during this process flows back to DOC Kaas in pipes, to be used in the production of cheese.

Whey Protein Concentrate WPC 80, one of the main products made in Hoogeveen, is produced in an instantized and non-instantized form. Instantized whey protein concentrate is mainly used to make sports and fitness drinks. Permeate, Hoogeveen’s other main product, is mainly used by the bakery and confectionery industry, because the sweet and salty taste components deepen the flavor of many foods and the product also gives baked goods an even golden-brown color. Large quantities of permeate are also used in animal feed. Many customers have adapted their recipes specifically to Hoogeveen’s permeate as they trust the product’s high quality level. This has been a benefit to the whole of the DMK Group since January.

Most of the fresh whey comes from a DOC Kaas plant located right next door.

TIGER

continuous improvement



Vision 2030 will ensure DMK succeeds in the future. And in order for it to become reality, every single person at DMK needs to be prepared to improve a little bit every day. The company is now committed to very clear values

It is up to us at DMK to fill Vision 2030 with life and to make it become reality. Within ourselves, we already have everything we need in order to do so. Our success is based on everyone being prepared to continually improve their work. Imagine us like a tiger: powerful, agile and hungry to achieve our goals.

Continuous Improvement (or "TIGER") is not a program with a clearly-defined beginning or end. As the name suggests, it will constantly accompany us in our work towards 2030. We will see the TIGER in many places in the future in order to help keep us motivated to think outside the box, improve processes and show each other our appreciation for what we are doing. The best example of this is right here in your hands: this MILCHWELT shows the many ways in which DMK is succeeding despite the coronavirus, thanks to the efforts of our employees. Despite difficult circumstances, we have managed to do our best for our customers, farmers and ourselves. "With our team spirit and our knowledge, we have proved what we are capable of," says Matthias Schrader, who leads the Continuous Improvement program. "We need to maintain this appetite. Stay hungry!"

In order to strengthen this spirit and hold onto this sense of optimism for the future, we have identified six areas that we want to continually and steadily improve. **Because just being good is no longer good enough for us.**

The health of our employees is a critical part of our success as a business. We are continuously improving our working environment and actively support occupational safety at DMK. We can only succeed if we work safely.

We use resources responsibly, from the money of our owners to the time of our employees to the raw materials provided by our farmers. Within our cost management, every single one of us is hungry to ensure that resources are used wisely for all.

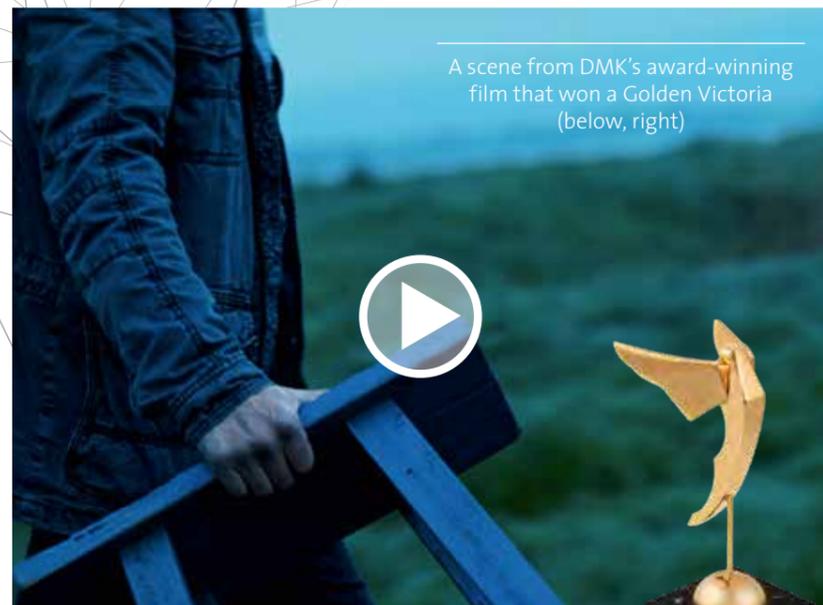
Our employees are the true experts at DMK. Their ideas are the foundation of our company and guide our way to future success. We are building a culture of personal responsibility that is shaped by appreciation. Everyone enjoys what they do.



Our top priority is food safety and the quality of our products. This is the right and only way we can fulfill our customers' wishes. Every one of us plays a role in this and takes responsibility in their area of work. Together, we stand for high-end products.

We are responsible in our use of natural resources and are reducing our emissions. We are steadily improving DMK's environmental performance and energy efficiency. Nature is close to our hearts.

Planning ahead is the key to customer satisfaction and for creating value in the use of our raw materials. That means we need employees to coordinate at every stage from the initial customer query right up to the final delivery. At all times, we stand ready to do so, throughout the whole company.



A scene from DMK's award-winning film that won a Golden Victoria (below, right)

Why we need 5G on every milk churn

The German government plans to invest five billion euros to expand digital infrastructure. Part of that means providing high-speed internet (5G) in rural regions. Research Minister Anja Karliczek said a few months ago, "We don't need 5G on every single milk churn." However, 50% of Germany's economic output takes place in rural areas.

Is digitization really helpful?

Expanding 5G will help enable the broad adoption of precision farming and application of artificial intelligence on fields. Both are extremely important for fertilizer to be applied exactly, in order to protect resources and ensure each plant receives the amount of nutrition it needs. Robotic milking helped farmers greatly in the 1990s, freeing them up as fixed milking times became a thing of the past.

What does the future look like?

Sensor technology will be used to identify cows that are unwell through the sound of their footsteps, for example. It is important that farmers identify such illnesses early on and sensors can perform better than the human eye, by recording the sound of hooves, which is then checked by an algorithm for irregularities. Another company uses ultrasound for this. Any animal showing indications of illness is automatically brought to a stall where its hooves are washed and treated. It is not yet clear when such systems can be used in practice, but these and similar digital systems will be part of the future. Rapid data transmission and processing are a prerequisite for these developments and many others.

Dear Ms. Karliczek, we definitely – urgently – need 5G on each and every milk churn.



International corporate film festival

A "Golden Victoria" for the DMK Group

We work together to adjust to consumers' wishes every day, and part of that means listening to what employees say – after all, nowadays, everyone's an influencer! That's why we used "real" actors in DMK's film about motivation and challenges, with employees, customers and other people involved in our work all featuring on the screen.

The film won a "Golden Victoria" award at an international festival, the world's oldest festival for business films in the German language. DMK's "Hallo 2030" portrays the journey of the Watchbox as it visited 20 DMK locations, and it took a gold in the event films section.

"We presented Vision 2030 through a range of internal communications channels – involving and preparing managers – but it was also about getting the whole workforce excited about the strategy. The dairy sector cannot close itself off to the fundamental changes that are sweeping through society," says Oliver Bartelt, Global Head of Corporate Communications at the DMK Group. "I am very pleased about this recognition

and am proud that the efforts of my communications team and our partners at deepblue networks and Brickbeach as film producer have been rewarded with this great prize."

"We are delighted to have won the gold award. The jury paid tribute to a film project that we have put a great deal of love into, together with the DMK Group," says Oliver Drost, Chief Creative Officer at deepblue networks.

This year, 350 films were submitted to the festival across 26 categories. The festival, held every two years in Vienna, showcases films from Germany, Austria, Liechtenstein, Switzerland, South Tyrol and Luxembourg and is known in German as the Internationale Wirtschaftsfilmfestspiele. Of all the films sent in, 28 won gold prizes, including DMK's.

Sonova, Audi, Duracell, Drägerwerk, Fraunhofer, VW, Lamborghini, ZDF and Daimler were among the other winners of gold and silver awards. You can see the film here: www.dmk.de/wer-wir-sind/dmk-2030/

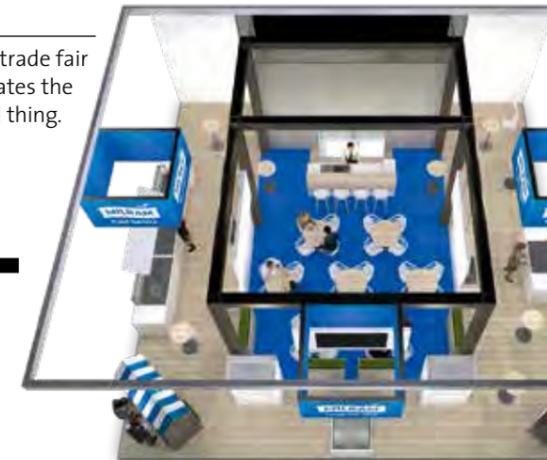
Welcome to our digital trade fair stand

All events involving the public are canceled until autumn, but there are other ways to present new products and innovations

We've learned a new way of working in this crisis, taking a decentralized approach and using digital tools and communication systems. Suddenly, conferences are taking place using Zoom and teachers are organizing WhatsApp groups to communicate with school students. Some things, however, require a great deal of imagination if they are to work out without personal interaction, and trade fairs are among them. Trade fairs rely on people coming into contact with each other and with products. Buyers are out looking around for new ideas and want to touch, taste and try out things. How can that work in the digital world? It does work, even if it's less immediate than at trade fairs and involves a few additional steps. MILRAM Food Service developed a digital trade fair stand that proves that good ideas always find a way. It provides an overview of innovations and users click in order to move through the stand's different areas. Our star chef and brand ambassador Heiko Antoniewicz created an entire

menu based on porridge, for example, and presents it at our digital trade fair stand in a video. Users can then click to download the recipe as a PDF. He also provides information about the world's best sour cream. And there's more to discover about a new innovative base for milkshakes so that they can be made without ice cream. Information is available about the new Gourmet Stations too, where people can assemble their own individual snacks without needing staff on hand to help. Guests – well, users – choose from a range of basic desserts, adding fruit, compote and other toppings to create their own personal dream dessert. Our trend app, also presented at the virtual stand, allows anyone who's interested to join our community just by registering. That way, no one needs to miss out on any of the latest trends in the catering world. The app can be downloaded for iPhones from the Apple App Store or from the Google Playstore for androids. Our brochures present all our products and offer creative ideas about

Our digital trade fair stand recreates the real thing.



A photograph taken before the coronavirus. DMK's stand was a place where people met and interacted.

what can be done in the kitchen. So for now, rather than planning for packed trade fair halls, people are thinking up virtual events as companies seek to show their skills in the digital world. If you're asking us, we think creative ideas are the best recipe for dealing with the crisis. milram-food-service.de/aktuelles/digitaler-messe-stand.html

Mr. Bischoff, how has the pandemic affected trade fairs?

"We're experiencing a situation that we have never seen before in the events business, and our business partners and service providers are facing extreme challenges. Almost all trade fairs have been canceled since the beginning of March and it is not likely to get any easier this year. But trade fairs were and remain an important way of communicating with people, particularly for the personal contacts and the chance to meet face to face. That isn't happening at the moment.

But this is forcing people to find new, digital solutions and these offer opportunities too, such as doing more to develop virtual trade fairs. In the future I think these will be an extension of regular trade fairs, providing something in addition on top, rather than an either-or situation. I'm sure that in the time after the coronavirus, we'll see trade fairs packed full of people again, and we're planning full speed ahead for 2021. We've got lots of ideas on the go and are feeling positive as we look ahead at next year's trade fairs."

Sascha Bischoff
Senior Fairs & Events Manager.





from the home of freshness

Osterland

Yummy pudding

Osterland red fruit pudding is a well-loved dessert many recall from their childhoods and still enjoy today. Retailers have been selling the berry-packed treat in 1-kilo packages since March, along with the vanilla dessert sauce that goes so well with it, in a 500-ml package. The Osterland brand originated in eastern Germany. Now, the raspberry taste seems to be winning friends in western Germany too. The product was initially sold nationwide as a promotion but the 500 packages of each were often sold out in a week. "So far, the success of the product shows how popular red fruit pudding



Osterland red fruit pudding and the perfect dessert sauce to match – now available in bumper packaging that's going down a treat with shoppers.

is among consumers and retail partners in the east," says Hanna Sumbel, Senior Brand Manager Brand Retail. Sales of the classic dessert were accompanied by a radio advertisement from May 18 through to June 6, which also proved effective. "The products were sold out within days. We're also happy that they created value that will benefit our farmers," adds Hanna Sumbel.

MILRAM new products

Innovations that are going down well

Hitting the spot – MILRAM keeps reinventing itself and winning new fans among shoppers



MILRAM Northern Light, available starting in October, joins other varieties of MILRAM Cheese, Skyr & Smoothies will hit the shelves in September for fitness fans and a new recipe for MILRAM Tzatziki will deliver even more flavor, also available from September.

The innovation explosion started in April with Kalder Kaffee. Available as "unbelievably strong" or "with oats," this cheeky newcomer has made its mark on the scene. Then, in July, Skyr, Buttermilk quark and cottage cheese made a hit with a new design showing them off as a family of protein-packed products to excite young people about healthy eating. The new protein-rich Skyr cheese bites and Skyr cheese minis will round off this range in September. Skyr & Smoothie shows that healthy eating does not mean doing without – also available

as of September. Without added sugar or additives, but packed with protein, Skyr & Smoothie is a healthy snack that tastes delicious. Meanwhile, MILRAM Tzatziki will taste even more exciting as of September, aiming to delight customers by delivering a stronger garlic flavor, fresh yoghurt and crunchy cucumber. The finale is in the cheese section, with tasty MILRAM Northern Light that is ever so slightly sweet, while MILRAM Caraway comes with whole caraway seeds. Both will bring a whole new realm of flavor to cheese sections starting in October.

Lighthouse prize for Edewecht

Praise for savers

Plenty of people are talking about environmental policy – but DMK is taking action. The sustainability strategy is s bearing fruit

International Environment Day was on June 5, but in most places, it was more an occasion for reflection than celebration. There was a hint of pride, though, at DMK after the German Energy Agency (dena) named 13 lighthouse projects in industry that are working to reduce carbon emissions. They

included one of DMK's projects, naming it alongside various industry heavyweights. The Edewecht site introduced a range of measures to increase energy efficiency at one of the larger dairies, including the reorganization and optimization of all thermal processes.



DMK Ice Cream

Staying cool in the summer

Changes are underway at DMK, where production of the refreshing treats is being optimized

At the start of the year, DMK sold the Waldfeucht-Haaren ice cream production site (Heinsberg, in North Rhine Westphalia) to the Schwarz Group (Lidl). Pending approval by the regulatory authorities, the transition is due to be completed at the start of 2021, and includes the new owner taking on 200 employees. We asked Marcus-Dominic Hauck, COO Ice Cream, about how the optimization of DMK's production network is going.

amount of ice cream as we were doing before in two locations.

How much did that cost?

We plan to spend around 24 million euros on this investment in our future, and we won't spend a cent more. We're investing a small amount of the money we made by selling the Waldfeucht-Haaren location.

How does Everswinkel see the restructuring?

We are one of the biggest employers around here and we get a lot of support from the Warendorf district and the mayor. At the same time, we give contracts to local companies when we can, and that goes down well.

Will any new jobs be created?

We want to fill 30 new posts and have already won over electricians and fitters from the milk production.

How will the sale of the Haaren location affect the Prenzlau site?

Prenzlau isn't affected by the sale and expansion of production at Everswinkel, it will keep the portfolio it has already, namely ice lollies and mix boxes.

Are you planning to cooperate with other companies too?

We worked with MILRAM and Baileys in 2018, proving that we can successfully transfer established brands in other segments into the ice cream category. That makes us interesting for partners. Where we see ways to create value, we will enter talks.

How are sales figures developing?

Very well! For family packs alone, we

"We want to fill 30 new posts"

What exactly is happening right now in Everswinkel?

We are renovating an older building, with all the problems that entails, and we are right on time for our schedule. Despite the coronavirus and many other difficulties, employees are showing a huge level of commitment and daily production is running smoothly. The floors and walls were taken out, new foundations were laid and the tilers are at work right now. We started using the machines that were there in March and now, a large and a small ice lolly machine, two of the most modern in Europe, are being set up and we put the new sandwich line in the former milk area. The first few employees are being trained and if things continue like this, the test phase will follow. That means we'll be able to start producing ice cream on sticks, in tubs and in cones as of January.

What kind of numbers are we looking at?

We're increasing production capacity in Everswinkel from 65 million liters of ice cream to 100 million liters, meaning we'll be producing the same



increased sales of MILRAM buttermilk ice cream (850 ml) by 200% in 2019. Our SKYR ice cream on a stick showed an increase of 23% despite major private label competition. Market research shows the combination of plenty of protein, low fat and sugar meets customers' clear desire for variety and healthy eating. Also, the trend is moving towards smaller packages.

How has the coronavirus crisis affected your business?

It's had a positive effect on retail at certain points in time, also in combination with the good weather, so that helps us. Customers ate ice cream at home. It looks like a normal business year for us, if the weather stays good.



Marcus-Dominic Hauck, COO Ice Cream



Humana, Alete, Milasan

More than 200 years of tradition joined together under a single roof

Humana, Alete and Milasan stand for quality, trust and healthy eating. DMK is turning the traditional brands into a powerful trio

The sun – the unmistakable design element in the Humana brand.



The Humana, Alete and Milasan brands, now united under DMK, have been taking the best possible care of babies' and toddlers' health for decades. Alete has been dedicated to youngsters' well being for more than 85 years, Humana for the past 65 years and Milasan for more than 50 years. Bundled together, that's more than 200 years of knowledge and experience trusted by parents, paediatricians and midwives worldwide. In the highly competitive baby and infant nutrition segment, that trust is invaluable.

Recognizing needs

The DMK strategy – to significantly expand the baby food business by 2030 – seems like the logical next step. "Strong brands with a clear and distinct message offering added value for parents: That's our goal, along with being online where the young parents are," says Iris Behrens, Head of Global Marketing DMK Baby. That requires a clear brand architecture, to best present the range and exploit DMK's market advantage: There's Humana with a focus on baby formula and food supplements, while Alete offers supplementary food and snacks for young children up to kindergarten age. In the future, the brands will accompany children from birth until the age of three and far beyond. For DMK, this range of brands provides an enormous competitive advantage. A poll was carried out of 6,500 mothers, around 700 doctors and midwives in seven countries around the world, and used as the basis for repositioning Humana, a well-known international brand. The poll showed a highly emotional view of Humana. The logo and the claim "Humana – for mommy and me" underlines the needs of babies and mothers, providing relief and trust. The new brand message is "Humana – exactly what we need!"



Taking new paths

"Our focus is clearly on digital natives – the new mothers and fathers of generation Z," says Iris Behrens. Those born after 1995 are seen as educated, informed, focused on the digital world and drawn to credible, unique brands. Humana continues to build trust, through messaging components such as "trust your inner feelings," "we stand by you" and "allow space for natural growth". The new path also reflects the introduction of the new innova-

tive product line „Humana ProBalance™“ with HMO for formula and follow-on milk. For babies, there is nothing better than breast milk but sometimes, breast feeding is impossible, for a range of reasons. The new generation of Humana formula is enriched with human milk oligosaccharides (HMO). Alongside lactose and fat, HMOs are one of the major components of breast milk and have been shown to be highly important for babies' health. This milk innovation will be accompanied by a 360° communication campaign online, where the target group can be found. The campaign's message is "Humana – exactly what we need." The new Humana baby milk in our safe and practical myHumanaPack. Everything for a good start and #confidentmoms. The new Humana baby milk is available in safe and practical packaging, myHumanaPack. All that's needed for a good start and #confidentmoms. The launch will be accompanied by a new advertising presence, with a fresh design for the Humana website. It now has large pictures and lots of white space, standing for purity, quality, fun and transparency. Users are not seen as passive but are encouraged to interact through a broad social media campaign on Facebook and Instagram that calls on young mothers to share their experiences with others in user-generated content – authentic, transparent and close to mothers and fathers. #confidentmoms

The new Humana PROBALANCE™ with HMO – the innovation of the year 2020.

“We are consciously pursuing the trend towards healthy eating”

Placing trust in the brand

Alete also has big plans. In September, a re-launch is planned under the motto "Alete, aware," showing Alete has arrived and is now part of the DMK family. More than 60 articles and seven new products are to hit store shelves, fresh following a redesign and with optimized recipes. "We are meeting parents' desire to give their children healthy food," says Christoph Esch, General Manager, Humana Sales. Decades of knowledge about nutrition and a high degree of credibility support this approach.

This is partly why the focus is now on ingredients. Almost 80% of the products have no added sugar or a lower sugar content, and the aim is to further reduce sugar in evening food, dry- and milk porridge and cookies. "All Alete jar products are organic quality and there is no palm oil in the portfolio."

Stay agile

Alete is making healthy nutrition into child's play – a fact underlined on packaging layouts too. Information about ingredients is structured clearly

and tips on healthy eating are provided. "Alete aware" is becoming a modern brand for child nutrition that helps shape children's tastes for healthy, low-sugar food. It makes absolute sense for Alete to round off the Humana range.



Alete aware – Naturally good for us. Supports healthy eating and meets parents' desire for natural products.



The labels list the ingredients and also provide food preparation tips.

SOCIAL MEDIA

This cow has won over all of Bremen

“Great to see you back! I want the yoghurt again too. It was the best, I haven’t found an alternative since.”

“We are delighted that good old Bremerland milk is back again. It tastes sooooo yummy!”

“We want to support you, so we only buy your milk.”

“Wonderful that this childhood brand is back! If the gold yoghurt comes back too, it would be perfect.”

“My son loves the adverts with the cow wearing sunglasses. Every morning we drove past a poster on the way to his creche, but unfortunately the ad isn’t there anymore. Might you have a copy of the poster that I could buy to hang up in his room?”

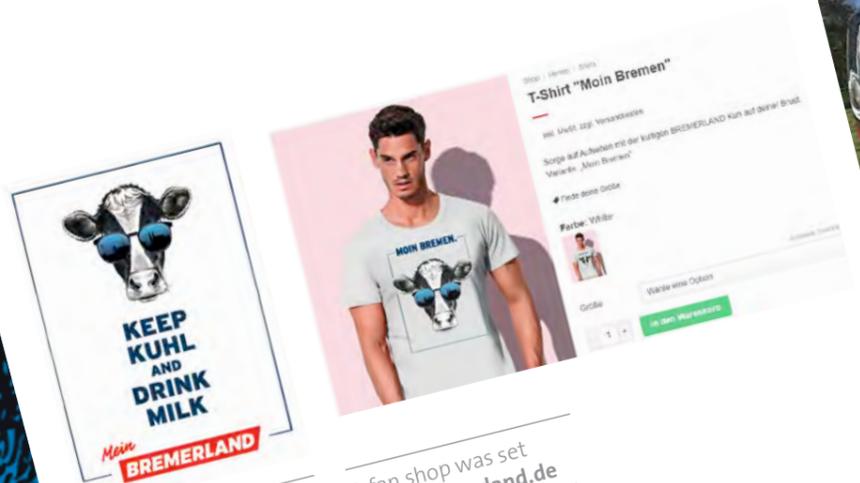
Bremen caught its first glimpse of Bremerland, and a cow wearing sunglasses, in March. The product has been winning more and more fans ever since

“Moin Bremen,” a friendly northern German way of saying hello, greets travelers passing through Bremen’s train station, courtesy of the Bremerland cow. Large advertisements throughout the city echo that greeting and it has emblazoned buses since June too. “This is my home,” says the cow of Bremen’s farms where the milk comes from. Fresh and local with barely any food miles, the people of Bremen are delighted with Bremerland and have welcomed the milk and the cow into their hearts. True love never dies!



Bremen’s buses will advertise Bremerland for five months.

Nobody can escape those eyes: The Bremerland cow gazes down on passengers as they pass through Bremen’s main train station. The cow’s greeting in the advert, “Moin Bremen,” is a friendly northern German way of saying hello that has gone down a treat. Ingo Müller, CEO of the DMK Group: “Right from the start, retailers and shoppers were delighted with this great regional project. Now, our “genuine fresh milk from Bremen” is available at almost every shop in the whole city.”



Posters, banners and city lights are spreading the Bremerland message.

A fan shop was set up on bremerland.de thanks to high demand.



Proud: Guido Claessens, Director Finance, stuck a sticker of the cow on his car.



How farms are advertising ssssBremerland.



Fresh Bremerland milk directly from farmers is definitely worth a stop.



The success of the Bremerland relaunch was a big hit in the media, too.

More efficient, reliable and central



Bernd von Borstel,
Director Operations



Sabine Schmidt,
Team Leader Procurement Services



Cindy Ordowski,
Head of Plant Administration

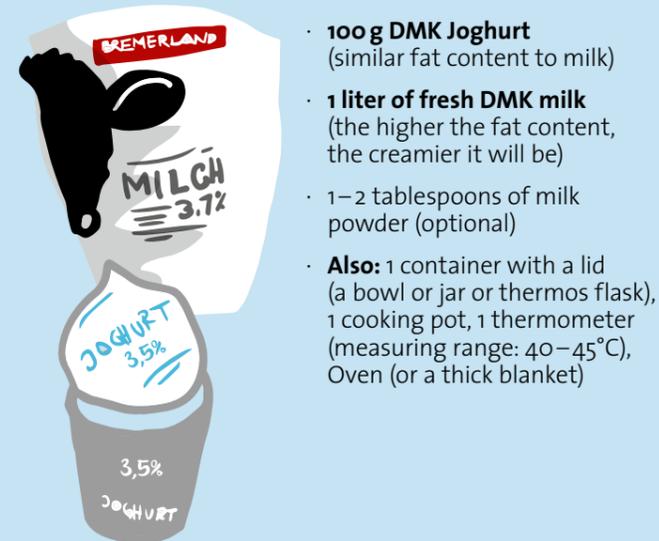
DMK has set up a centralized plant procurement department, standardizing purchasing processes across the board

A couple of weeks ago, there were still some serious doubts, but now, most people are happy and everything is clear. DMK has largely introduced a centralized plant-procurement scheme, enabling secure, transparent, flexible and efficient purchasing for all plants across the DMK Group. Project manager Gerald Knoke of Global Business Service has worked on this for the past two years, together with a team of 22 employees. “We had to do a lot of persuading, because we created standardized processes stating how purchasing should work for each plant,” says Bernd von Borstel, Director Operations BU Industry in Bremen.

It is not surprising that at first, people were skeptical. Michael Schawe, plant manager at Georgsmarienhütte, says, “We were worried that everything would take a long time to be processed and that there would be complicated procedures and lengthy purchase requisition systems.” These doubts were echoed by Cindy Ordowski, Head of Plant Administration, Altentreptow, who assumed approvals for purchases would take a long time. The responsibility for plant purchasing has become gradually more centralized since 2017, first in Nordhackstedt, then in Edeweicht, Waren, Dargun, Altentreptow, Euro Cheese and wheyco, Bergen, Hohenwestedt, Everswinkel & Ice Cream, Neubörger, Erfurt, Holdorf, Georgsmarienhütte and Zeven.

During this period, Sabine Schmidt started out as a clerk in Procurement Service, then became a team leader and now manages seven employees. “We visit the plants regularly and hold video conferences twice a year with plant managers, along with video conferences with the centralized procurement managers and their stakeholders two to three times annually,” she says. The transition is already bearing fruit. “The figures show a significant improvement. Of 18,000 orders in 2019, we only had to put in 44 emergency orders for the plants.” Sabine Schmidt and her team are still optimizing the process. In 2019, 8.5% of orders were entered after the fact. They are also negotiating larger purchasing quantities and preparing to roll the system out at all other DMK Group locations in Germany and the Netherlands. “DMK is expecting to save up to one million euros a year with this optimization,” she says. Cindy Ordowski’s initial worries about lengthy approval processes for orders are now a thing of the past. She would like to see more communication, though, and more detailed knowledge on the part of the purchasers. There is greater potential ahead, which makes Bernd von Borstel feel optimistic as he considers the future. “We’ve already taken a big step in the right direction. We can achieve further potential, and better analyze any weaknesses using the improved database.”

Ingredients



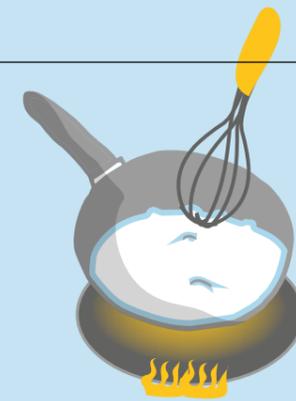
- 100 g DMK Joghurt (similar fat content to milk)
- 1 liter of fresh DMK milk (the higher the fat content, the creamier it will be)
- 1–2 tablespoons of milk powder (optional)
- **Also:** 1 container with a lid (a bowl or jar or thermos flask), 1 cooking pot, 1 thermometer (measuring range: 40–45°C), Oven (or a thick blanket)

Do it yourself Firm and creamy yoghurt

It’s bright, sunny and there’s a real summer feeling. What better dairy product could you make than a delicious refreshing yoghurt? It only takes four easy steps

40-45°C

Fermentation temperature: The yoghurt’s bacterial culture thrives at this temperature, so it can reproduce, fermenting the milk to yoghurt.



1 Boil the fresh milk briefly in order to kill off any “bad” bacteria, then let it cool to the optimal temperature for fermentation* - 40-45°C - and stir occasionally.

2 Now carefully mix your milk together with the yoghurt you bought, in order to use its cultures. If you want your yoghurt to be firmer, add 1-2 tablespoons of milk powder.



3 Now, put the mixture into a container and close it. In order for the fermentation process to work, it needs to be kept warm for at least ten hours. You can keep it in the oven at 50°C for 30 minutes, then turn it off and leave it to rest. **One important tip: don’t move it!**



4 The longer you leave your mixture in a warm place, the more acidic it will get, so when it’s almost ready, put the yoghurt in the refrigerator for a few hours to stop the acidification process.



5
Enjoy!

Stir until it’s creamy and then add oats or fruit or anything you like!



Biodiversity – an Opportunity for Farmers

DMK and the Bodensee-Stiftung have successfully completed a pilot project involving ten operations

Biodiversity affects all living organisms in their many habitats, in soil, water and on land. This biodiversity ensures that nature continues to deliver its vital ecosystem services. A DMK pilot project identified positive and negative areas that show great potential for milk production. It is clear that farmers already do a great deal to support biodiversity in their operations, day in, day out.

Biodiversity is not a one-way street, however, but an opportunity for farmers to try out new approaches and explore new aspects of biodiversity. Even small, targeted measures play a key part in the bigger picture. To explore this in more detail, DMK asked the Bodensee-Stiftung, a private nature conservation organization that focuses on agriculture and climate protection, to visit ten pilot operations and assess their current level of biodiversity using the Biodiversity Performance Tool (BPT). The Foundation created the BPT to establish an overall picture of an operation's strengths and weaknesses using 78 indicators.

Each indicator is evaluated with a traffic-light system, using five questions. If the indicator is red, the operation has some shortcomings in this particular area, while green shows a positive influence on biodiversity. The assessment can help farmers to identify which measures they could take in order to further improve biodiversity.



Undersowing maize helps biodiversity



ADVANTAGE OF GMO-FREE FEED

The operations all achieved good results for GMO-free dairy production. GMO-free feeding not only reduces the pressure on the rainforests and other ecosystems, but also supports regional feed production. Currently, more than half of DMK's farmers are taking part in the "no genetic engineering" program. The Bodensee-Stiftung also gave a positive rating for the sowing of catch crops. These provide organic substance for the soil in periods where no vegetation is growing, and help protect the environment, soil and water by preventing soil erosion and loss of nutrients. Farms also won positive marks for their traceable operational processes, including their detailed documentation of fertilizer and plant protection measures. The storage and handling of dangerous goods was classified as "good."

Concrete measures to improve biodiversity:

- Legumes in grassland
- Undersowing maize
- Creating or keeping buffer strips
- Laying flower strips
- GMO-free feed

BIODIVERSITY AS AN OPPORTUNITY

The project suggested there was room for improvement in particular in the field of biodiversity. Only one of the farms is growing legumes at present. These are among the most species-rich plant families there are, and are able to "fix" nitrogen from the air, making it available to plant roots. That reduces the need for mineral nitrogen and carbon emissions. Based on the survey, the Foundation recommended undersowing, saying the overall aim is to create habitats for fauna and flora - including endangered species - thus strengthening biodiversity.

MEASURES FOR DAIRY FARMS

Alongside steps already taken, working with the Bodensee-Stiftung showed effective steps that can contribute to making sustained improvement to biodiversity. One option could be leaving wet zones or field points (wedges) or water edges unused as these can provide important retreat areas for small game, birds and insects. And in larger areas, field margins or points can be left unused. Laying out perennial flower strips is also another option as they can be used to subdivide areas, and offer the additional benefit of providing a habitat and food source for insects and wildlife. Greater use can also be made of legumes in areas of grassland, according to the foundation. Clover, for example, is a valuable source of protein, benefits soil structure and also fixes nitrogen, while maintaining grassland is more demanding. Undersowing is also another way to contribute to climate protection and biodiversity while supporting planting. Undersowing maize improves soil structure and prevents erosion, for example, which can help during drought periods and feed shortages. All the additional efforts provide a series of advantages.

LOOKING AHEAD INTO THE FUTURE

The pilot study showed that established measures are contributing to biodiversity but it also highlighted areas of agricultural production where there is room for improvement. However, each farm has its own individual possibilities that will shape which measures are most appropriate. In the future, the focus will be on recognizing unused potential and formulating shared goals for agriculture and biodiversity to use synergies most effectively.



Your contact to the editors

Your contact for all MILCHWELT-related topics



OLIVER BARTELT
Global Head of Corporate Communications
+ 49 421 243 – 2310
oliver.bartelt@dmk.de



KATRIN POPPE
Internal Communications Manager
+ 49 421 243 – 2143
katrin.poppe@dmk.de

DMK DEUTSCHES MILCHKONTOR GMBH
Flughafenallee 17, 28199 Bremen, Germany

Service for Employees
Hotline for employee issues, such as pension scheme, parental leave, labor contracts

FIRST LEVEL SUPPORT
Monday to Thursday, 8am–4pm
Friday, 8am to 2pm
+ 49 428172 – 57100
mitarbeiterservice@dmk.de

MILCHWELT INTERNATIONAL
Alongside English, MILCHWELT Magazine is of course available in the original German language and now in Dutch, too. You can find all the editions available for download as PDFs at www.milchwelt.de

Main content area featuring 'In the media' section with articles from Ostseezeitung, Tagesspiegel, Spiegel Online, Nordkurier, Lebensmittelzeitung, and LZ Rheinland. Includes QR codes and social media links.

Milk on Social Media



Users discuss milk on social media platforms

TWITTER
www.twitter.com/DMK_Milch



Join the conversation!

LINKEDIN
www.linkedin.com/organization-guest/company/dmkgroup



Join the conversation!



Regional Managers of the Cooperative

The regional managers are the principle points of contact for all the concerns of milk suppliers and shareholders of our company



HELMUT ENEWALDSEN
Schleswig-Holstein
+49 4639 / 9506-52320
helmut.enuwaldsen@dmk.de



JENS RUGE
Mecklenburg-Vorpommern / Brandenburg
+49 3991 / 154-41211
jens.ruge@dmk.de



CLEMENS NIEDERWESTBERG
Weser-Ems
+49 5401 / 854-59132
clemens.niederwestberg@dmk.de



DETLEV BOSSE
Elbe-Weser
+49 4480 / 81-64160
detlev.bosse@dmk.de



KERSTIN GRABARSE
Thüringen / Sachsen-Anhalt / Hessen
+49 361 / 5977-16285
kerstin.grabarse@dmk.de



JULIA RIDDER
Nordrhein-Westfalen / Süd-Niedersachsen
+49 5401 / 854 59180
julia.ridder@dmk.de

Imprint

Masthead Publisher: DMK Deutsches Milchkontor GmbH, Industriestraße 27, 27404 Zeven Responsible for this magazine: Oliver Bartelt Redaktion: Katrin Poppe, Birgit Lüdemann (DMK Group); Andin Tegen, Anne Huning, Simon Pausch Texts: Volker Siegert (WMP Eurocom) Assistant: Anika Gaudian Editor: Dr. Agnes Przewozny (Grünes Lektorat) Art Direction: Regina Bense Graphics: Anita Ackermann, Annette Kociemski, Irene Wilhelm Illustration: Regina Bense Photos: Matthias Hornung, Johanna Ritter, Ralf Maier, Christian Mathiesen, Dominik Sommerfeldt, Sebastian Vollmert (DMK Group), Facebook, Instagram, LinkedIn, Twitter, unsplash.com

Labyrinth

Keep your eye on these prizes:



UNIEKAAS Bicycle
1X



LANDMANN BBQ
1X



MILRAM Stunt Kite
10X



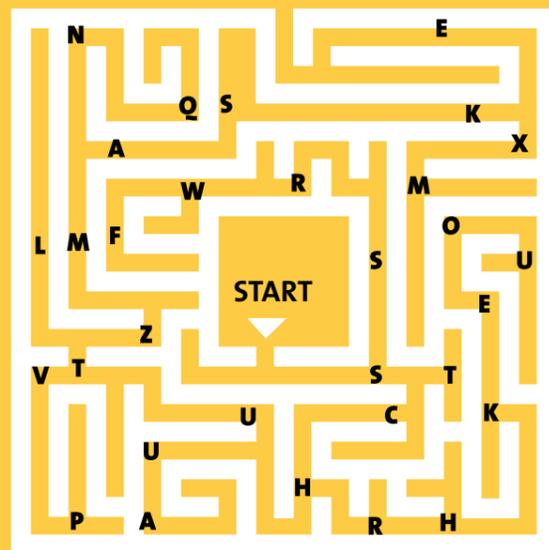
MILRAM Cool Bag
10X



UNIEKAAS Apron
10X

Find your way through the maze and collect the letters as you go. If you find the right path, they will be in the right order to spell out the solution.

(it's a German word)



Send in your answer:
By email to: milchwelt@dmk.de, with "Contest" in the title, or by post to:
DMK Deutsches Milchkontor GmbH
Katrin Poppe,
Flughafenallee 17,
28199 Bremen

The deadline for entries is:
August 16, 2020

Only employees and cooperative members of the DMK Group are eligible to participate.

Congratulations to the winners of our last contest:

3 x MILRAM Deckchairs:

Luisa Lösekann	Ovelgönne
Bärbel Möller	Siedenbrünzow
Ehepaar Ehmann	Geestland

10 x MILRAM Beach towels:

Margrit Schellstede	Ovelgönne
Ewald Möller jun.	Wischhafen
Tobias Meyer	Erfurt
Daniel Brase	Seckenhausen
Detlef Rook	Zeven
Heiko Wellbrock	Edewecht
Stefan Grapentin	Prenzlau
Lars Grueber	Edewecht
Burghard Moennig	Welver
Yassine El Idrissi	Edewecht

10 x Bag Vouchers:

Kim Bohmann	Ovelgönne
Dennis Neubert	Erfurt
Mareike Langerenken	Wiefelstede
Andrea Kropp	Waghäusel
Sabrina Kabutke	Hoogeveen
Matthias Brüntjen	Edewecht
Sven Mahnken	Zeven
Joerg Eichler	Bremen
Sylvia Kleibaumhüter	Rietberg
Isaam Bakrou	Edewecht

10 x T-Shirt Voucher:

Familie Sticht	Hemmoor-Heeßel
Georg Mayer	Seesen
Lisa Schabacker	Hetzerode
Sabine Schmidt	Bremen
Tim Wefer	Ovelgönne
Ute Kaper	Edewecht
Hof Johansson	Tangendorf
Ute Driesen	Bremen
Benjamin Stanke	Bremen
Jan Ahlers	Ovelgönne



It's hot stuff

- Ingredients for 4 people**
- 2 large cauliflowers
 - 4 large sweet potatoes
 - 2 red peppers
 - 400g MILRAM FrühlingsQuark
 - 1 bunch of thyme
 - 2 bunches of flat-leaf parsley
 - 1 bunch of spring onions
 - 2 limes
 - 1 chili
 - 2 cloves of garlic
 - 100–150 ml olive oil
 - Salt
 - Pepper

Preparation time: 20 minutes



MILRAM Grilled Vegetable Steaks with Chimichurri

It's barbecue season but that doesn't have to mean hamburgers and sausages! Take a trip to Argentina via MILRAM's website and try this delicious spicy meal that's made entirely without meat. The secret ingredient? MILRAM FrühlingsQuark, the **TOP BRAND 2020!**

Topped with chimichurri, a zesty, tangy Argentinian sauce made of herbs, along with fresh, creamy FrühlingsQuark, your cauliflower and sweet potatoes will be a major hit at the next barbecue, stealing the show from the steak and chicken wings.

Here's how:

STEP 1: To make the chimichurri, finely chop the thyme, parsley and spring onions. Juice the limes and add the chopped herbs and olive oil until the mixture thickens. Roughly chop the garlic and flatten it with a knife then add this to the

herbs and stir. Slice open the chili, remove the seeds, chop finely and add to the mix. Season the chimichurri with salt and pepper to taste, then let it sit for half an hour.

STEP 2: Wash the cauliflower, divide it into large florets, then cut these into thick slices. Wash the sweet potatoes and cut them into broad slices. Brush the chimichurri across the sliced vegetables and red peppers so they are generously covered.

STEP 3: Grill the marinated vegetables for 7–8 minutes on each

side until they are lightly browned. You can also prepare these in a pan, or in the oven, if you prefer.

STEP 4: Place the grilled vegetables on a plate and serve with a portion of MILRAM FrühlingsQuark. If you want a spicier dinner, add a spoonful of chimichurri along with it.

Fire away! You can find more recipes on our MILRAM page:



Nich' lang fackeln

Grill-Challenge

“Don't mess around!” Only **5** Ingredients!

The task for those competing in the MILRAM BBQ challenge: create something delicious using only **five ingredients**, combined with MILRAM spicy quark or FrühlingsQuark

Three top barbecue influencers slipped on their aprons and worked their magic at the grill. Find out the results and see who won on milram.de.



PHOTO CONTEST!

Dear Readers: Send us a picture

We are featuring the best pictures sent to us by DMK readers in the first pages of the magazine. Please send us your favorite photo in high resolution, and (important) in landscape format, and tell us who and what is in the picture. We would also love to hear why you like the image and what it means to you. Save a special moment (you can find an example on p. 6–7). Whether it's an artistic still life, a lively group shot or a moment of delight – your creativity knows no limits!



Here's how: Email your picture to: milchwelt@dmk.de and put in the title "Reader photo"

Deadline: 30 October 2020
Only employees and cooperative members of the DMK Group are eligible to participate.

Cow Paula had just given birth to her calf in a picture taken for farmer Fredrik Warnecke from Ahletal, Lower Saxony. It is one of the best photos that readers sent in for the July issue of Milchwelt.



NOT JUST ANY CHEESE FROM HOLLAND



There are many cheese brands in the Netherlands. But only one is the oldest cheese brand. That is Uniekaas. Delicious cheese the Dutch are proud of. And so are we on our recent campaign. With this campaign, we show even more that the Dutch really cherish their cheese. That's the reason we say in the Netherlands: *Uniekaas. Our cheese.*

